SAVINGS BANK (AMENDMENT) BILL, 2026

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SAVINGS BANK (AMENDMENT) BILL, 2026

A BILL FOR AN ACT TO AMEND THE SAVINGS BANK ACT TO INCREASE THE INTEREST RATE PAYABLE ON SAVINGS ACCOUNTS AND TO VALIDATE THE APPLICATION AND PAYMENT OF INTEREST AT THE REVISED RATE

Enacted by the Parliament of The Bahamas

1. Short title.

This Act which amends the Savings Bank Act (*Ch.315*) may be cited as the Savings Bank (Amendment) Act, 2026.

2. Amendment of section 9 of the principal Act.

Section 9 of the principal Act is amended by the deletion of the words "two per centum" immediately after the words "at the rate of" and the substitution of the words "five per centum".

3. Insertion of section 18 into the principal Act.

The principal Act is amended by the insertion immediately after section 17, of the following as a new section 18 —

"**18. Validation of interest rate payable on deposits**.

(1) The application and payment of interest at the rate of five per centum on any account at the Savings Bank before the commencement of this Act, is hereby validated and declared to have been lawfully applied.

(2) All interest credited, paid, or otherwise applied to any account in excess of the rate specified in subsection (1) is deemed to have been

validly authorised, and lawfully paid as if that rate had been expressly provided for by law at the time it was applied.”.

OBJECTS AND REASONS

The Savings Bank (Amendment) Bill, 2026 ("Bill") seeks to amend the Savings Bank Act (Ch. 315) to revise the interest rate applicable to savings accounts and to validate previous payments made at the updated rate.

Clause 1 of this Bill sets out the short title.

Clause 2 of this Bill amends section 9 of the principal Act by raising the interest rate on savings bank accounts from 2% to 5%. This amendment is intended to improve returns for depositors.

Clause 3 of this Bill introduces a new section 18 into the principal Act to validate the payment of interest at the 5% rate on savings accounts before the commencement of this Act. It ensures that all such interest credited, paid, or applied is considered lawful and authorised, even if it exceeded the previous statutory rate.