

CHAPTER 316

RATE OF INTEREST

1970-47

This Act came into operation on 8th October, 1973 by Proclamation (S.I. 1973 No. 149).

Amended by:

1983-39

Guide to symbols in historical notes:

- indicates an amendment made by an Act

/ indicates an amendment made by statutory instrument

CHAPTER 316

RATE OF INTEREST 1970-47

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**BARBADOS****RATE OF INTEREST
1970-47**

An Act to make provision in respect of interest rates in Barbados.

[Commencement: 8th October, 1973]

Short title

1. This Act may be cited as the *Rate of Interest Act*.

Interpretation

2. For the purposes of this Act, the expression
“exempted person” means any person or class of persons exempted by order under section 6 from the provisions of section 3, 4 or 5;
“judgment” means a judgment, order or decree of the High Court;
“Minister” means the Minister responsible for Finance;
“prescribed rate” means the rate of interest prescribed by the Minister by order under section 6 as the highest rate chargeable in respect of any contract, transaction or judgment, as the case may be, by any person or class of persons specified in any such order.

Maximum rate of interest on contracts

3.(1) No person, other than an exempted person, may in any contract made in Barbados after 8th October, 1973.

- (a) directly or indirectly charge, secure or reserve a rate of interest higher than the prescribed rate; or
- (b) charge with, or make liable for, interest at a rate higher than the prescribed rate, any real estate in Barbados.

(2) Any contract made in contravention of subsection (1) shall be void and may not be sued on or enforced in any court in Barbados or by any process of any such court.

Maximum rate of interest on judgments, etc.

4.(1) Subject to subsection (2), all sums of money due or payable under or by virtue of any judgment obtained by any person, other than an exempted person, after 8th October, 1973, shall carry interest at a rate not exceeding the prescribed rate from the time of entering up or of obtaining such judgment until the judgment is satisfied.

(2) Notwithstanding subsection (1), on any judgment obtained in the High Court by any person, other than an exempted person, on any bond, either with or without a warrant of attorney, the rate of interest payable on the amount due on such judgment shall be the rate, if any, expressed in such bond, and, if no rate is expressed therein, then such judgment shall carry interest at a rate not exceeding the prescribed rate.

Maximum rate of interest on book-debts, etc.

5. No person, other than an exempted person, may charge on any book-debts, accounts of which have been rendered after 8th October, 1973, or on any balance of accounts or on any written acknowledgment of debts rendered or

dated, as the case may be, after such commencement, a rate of interest higher than the prescribed rate.

Power of Minister by order to prescribe rates of interest and grant exemptions

6.(1) Notwithstanding anything contained in any other enactment, the Minister may by order

- (a) prescribe the maximum rate of interest which may be charged in Barbados by any person or class of persons specified in such order in respect of any contract, transaction or judgment or any class of contract, transaction or judgment so specified;
- (b) exempt from the provisions of section 3, 4, or 5 any person or class of persons specified in any such order and subject to such conditions as maybe so specified.

(2) An order made under subsection (1) may contain such incidental, consequential and supplemental provisions as the Minister may consider necessary for giving full effect to the order, including provisions for the adaptation, amendment or repeal of any provision of this Act or of any other enactment relating to the charging of rates of interest.

(3) Every order made under subsection (1) shall be subject to negative resolution.

Power to delegate

6A.(1) Subject to subsection (2), the Minister may, in writing, delegate the power conferred on him by paragraph (a) of section 6(1) to the Central Bank of Barbados.

(2) Where the power referred to in subsection (1) is delegated to the Central Bank of Barbados that power may only be exercised with the approval of the Minister.

[1983-39]

Offences

7.(1) Any person who contravenes any provision of this Act or of any order made under subsection (1) of section 6 is guilty of an offence and is liable on summary conviction thereof

(a) in the case of an individual to a fine of \$5 000; and

(b) in the case of a person who is not an individual to a fine of \$25 000.

(2) Where a body corporate or a firm is convicted of an offence under this Act, then every person who at the time of the commission of the offence was a director or officer of the body corporate, or a partner of the firm, shall be deemed to be guilty of the offence unless he proves that it was committed without his knowledge or that he exercised all due diligence to prevent the commission thereof.

(3) A prosecution for an offence under this Act may be commenced at any time within 3 years from the date when the matter to which the information relates arose.

Savings

8. Any order which immediately before 8th October, 1973 is in force under the *Rate of Interest Act, 1754** shall continue to have effect until amended or revoked by or under the authority of an order made under paragraph (b) of subsection (1) of section 6.

**[Act 1754-1, repealed by this Act.]*