

CHAPTER 94D

EXTERNAL LOAN

1972-20

This Act came into operation on 4th December, 1972.

Amended by:

1997-3

Law Revision Orders

The following Law Revision Order or Orders authorized the insertion and removal of pages as the case may be under the Law Revision Act Cap.2 now repealed:

1978

1997

Guide to symbols in historical notes:

- indicates an amendment made by an Act

/ indicates an amendment made by statutory instrument

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**BARBADOS****EXTERNAL LOAN
1972-20**

An Act to authorise the Government of Barbados to borrow money externally by the issue of securities for such purposes and in such sums as are approved by resolution of Parliament.

[Commencement: 4th December, 1972]

Short title

1. This Act may be cited as the *External Loan Act*.

Interpretation

2. For the purposes of this Act

“fiscal agent” means

- (a) the Central Bank of Barbados established under the *Central Bank of Barbados Act*, Cap. 323C; or
- (b) any foreign bank, corporation or company appointed by the Minister to be the fiscal agent of the Government for the service of securities;

[1997-3]

“Minister” means the Minister responsible for Finance;

“securities” means securities, including bonds and debentures, authorised to be issued under this Act.

Authorisation of external loans

3.(1) The Government is authorised to borrow money outside Barbados for such purposes and in such sums as are approved by resolution of Parliament.

(2) All borrowings under this Act shall be effected and secured by the issue and sale of securities.

(3) Securities shall specify the rate of interest payable thereon and the place and currency of payment of principal and interest.

Functions of Minister

4.(1) Subject to this Act, the Minister

(a) may enter into an agreement for the sale of securities upon such terms and conditions and containing such covenants, including

(i) the currency in which the borrowings are to be made,

(ii) the dates on which repayments are to be made,

(iii) the rate of interest payable,

(iv) the place of payment of principal and interest, and

(v) any premium payable on redemption,

as the Minister determines;

(b) shall determine the form and denominations of the securities and the terms, conditions and covenants to be included therein.

(2) The Minister may take any action or issue any order not specifically provided for in this Act in relation to the service of securities issued and agreements made under this Act.

Nature, form etc. of securities

5.(1) Securities shall be direct, unconditional and general obligations of Barbados and the full faith and credit of Barbados shall be unconditionally pledged for the payment of the principal of and interest on securities and any premium, charge, assessment or other expense which may be incurred in connection with the issue or redemption thereof and for the performance of all the covenants and obligations of Barbados thereunder or with respect thereto.

(2) The principal of and the interest on securities and any sinking fund payment required to be made under section 6(1) are hereby charged on and shall be payable out of the Consolidated Fund.

Redemption of securities

6.(1) A sinking fund shall be established for the redemption of each issue of securities made under this Act and the moneys necessary to maintain and service that fund shall be paid half-yearly in such amounts as are approved by resolution of Parliament.

(2) Securities shall mature at such dates, not later than 50 years after the date of issue, as the Minister determines.

Fiscal agents

7. The Minister may, on such terms and conditions as he thinks fit, authorise a fiscal agent

- (a) to make payments on securities;
- (b) to exchange, for any securities delivered to it by the holders of those securities or any securities which are mutilated, destroyed, stolen or lost, securities of equal value;

- (c) to effect contracts for the purposes specified in section 27A of the *Central Bank Act*, Cap. 323C in relation to borrowings made under this Act; and
[1997-3]
- (d) otherwise to act in connection with the service of securities.

Execution of securities

8.(1) The Minister is authorised to issue securities for and on behalf of the Government and to execute for and on behalf of the Government any agreement for securing the repayment of any sum which the Government borrows under this Act and any other instrument or document in relation thereto including any contract entered into pursuant to section 7(c).

(2) Securities may be issued on behalf of the Minister by 2 persons designated in writing by him for the purpose and may be authenticated in such manner as the Minister authorises in writing.

[1997-3]

Cap. 96 and Cap. 95 not to apply to securities

9. The *General Local Loans Act* and the *General Loan and Stock Act* do not apply to securities issued under the authority of this Act.