

CHAPTER 98

LOCAL LOANS

1988-1

This Act came into operation on 10th March, 1988.

Amended by:

1990-30

1994-13

2004-21

1992-32

1997-4

2007-29

1993-15

2002-11

2008-13

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Order or Orders authorized the insertion and removal of pages as the case may be under the Law Revision Act Cap.2 now repealed:

1989

2008

Guide to symbols in historical notes:

- indicates an amendment made by an Act

/ indicates an amendment made by statutory instrument

CHAPTER 98

LOCAL LOANS 1988-1

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SCHEDULE

**BARBADOS****LOCAL LOANS
1988-1**

An Act to amend and consolidate the law relating to the raising of local loans by the Government of Barbados.

[Commencement: 10th March, 1988]

Short title

1. This Act may be cited as the *Local Loans Act*.

Application

2. This Act is applicable to loans raised in Barbados.

Definitions

3. In this Act,

“Bank” means the Central Bank of Barbados established by section 3 of the *Central Bank of Barbados Act, Cap. 323C*;

“securities” includes debentures and any other instruments issued in respect of the payment of a loan but do not include treasury bills, tax refund certificates, tax reserve certificates and saving bonds.

Authority to raise loans

- 4.(1) The Minister may borrow money
- (a) for such purposes as are specified in the *Schedule*; and
 - (b) in sums not exceeding \$4 000 000 000 in the aggregate.
[1990-30; 1992-32; 1993-15; 1994-13; 1997-4; 2002-11; 2004-21; 2007-29; 2008-13]
- (2) Money borrowed under this Act shall be effected and secured by the issue and the sale of securities.
- (3) The Minister may by order amend the *Schedule*.
- (4) All orders made under subsection (3) shall be subject to negative resolution.

Proceeds of loans

5. All monies raised as the result of the issue of securities shall be paid into the Consolidated Fund, and the principal money and interest thereon payable in respect of such securities are a charge on and are payable out of the Consolidated Fund.

Form of securities

- 6.(1) Securities issued under this Act
- (a) shall be in such form and on such terms and conditions as the Minister approves; and
 - (b) shall be signed by 2 persons designated in writing by the Minister for the purpose.
- (2) A facsimile signature of such officers as the Minister approves under subsection (1) may be used for the purposes of this section.

Rate of interest

7. Interest payable in respect of securities shall be at such rate and in such manner as the Minister directs in writing; but a security ceases to accumulate interest after the date on which the principal sum becomes redeemable.

Payment of interest

8. The interest on the principal sum represented by a security shall accrue from the date specified in the security and shall be payable half-yearly or at such other intervals as may be determined by the Minister.

Register of securities

9.(1) The Governor of the Bank shall keep a register to be known as the "Register of Securities", in which every security issued or transferred under this Act shall be registered.

(2) The issue or transfer of securities made under this Act shall be of no force or validity until duly registered in the Register of Securities.

Securities to be transferable

10. Every security and the right to receive the principal and interest represented thereby shall be transferable.

Sinking Fund for redemption of securities

11.(1) There is established under this Act a sinking fund for the redemption of securities issued under this Act; and the moneys necessary to maintain and service that fund shall be paid half-yearly to the Bank as fiscal agent in such amounts as are approved by the Minister.

(2) Upon the repayment of the principal sum represented by security, the security shall be delivered to the Bank for cancellation and be forwarded by the Bank to the Accountant General for his retention and for the examination of the Auditor General.

(3) Where the sinking fund provided for by this Act is insufficient for the payment of all principal sums borrowed under the authority of this Act at the time the same become due, the deficiency shall be a charge upon the general revenues and assets of Barbados and shall be paid from the Consolidated Fund.

Duties of fiscal agent

12. The Minister may prescribe by regulations the duties of the Bank as fiscal agent under this Act.

Duplicate certificates

13.(1) Where a security is reported mutilated, destroyed, lost or stolen, the Bank shall not issue a duplicate security unless the applicant thereof

- (a) produces an affidavit to the effect that the original security was mutilated destroyed lost or stolen;
- (b) agrees to indemnify the Government of Barbados against loss in the event that the security is subsequently found and presented for payment; and
- (c) publishes or causes to be published a notice in a daily newspaper to the effect that the original security has been lost or stolen.

(2) A duplicate security must be issued in accordance with the requirements of section 6.

Accounts to be kept for the purposes of the Act

14.(1) It shall be the duty of the Accountant General to keep such accounts as are required in respect of any loans raised under this Act, showing the moneys received, the moneys expended, the interest paid, the securities redeemed and all the other matters of account relating to the said loans.

(2) All accounts and all papers and documents connected with the said loans shall be subject to the examination and report of the Auditor General.

Annual statements to be laid in Parliament

15. The Minister shall cause to be laid before Parliament as soon as possible after the close of each financial year a statement showing in detail the sums borrowed in the manner specified in this Act together with the rate of interest thereon, the state of the sinking fund, together with such further information as may be necessary to show what has been done under the authority of this Act.

Minister to give orders and directions

16.(1) The Minister may give all such orders and directions and take all such proceedings as may be necessary for carrying into effect the purposes of this Act.

(2) Notwithstanding subsection (1), no such order, direction or any proceeding given under that subsection shall be repugnant to any of the provisions of this Act.

Expenses

17. All expenses of or incidental to the issue, service or redemption of securities, including contributions to the sinking fund and the cost of and expenses of all notices required by this Act to be given are hereby charged on and shall be payable out of the Consolidated Fund.

Regulations

18. The Minister may make regulations for the carrying into effect the provisions of this Act.

Offences

19. A person who, with intent to defraud, forges, alters, utters or puts off any security or any endorsement or assignment of a security or any receipt or certificate for interest accruing thereon knowing the same to be forged or altered,

is guilty of an offence and is liable on conviction on indictment to imprisonment for a period of 10 years.

SCHEDULE*(Section 4)*

Purposes to which the money borrowed may be applied:

To defray

- (a) Government's capital expenditure; and
- (b) the expenses incurred in respect of the money borrowed.