



## ST. CHRISTOPHER AND NEVIS

### CHAPTER 20.08

## DEVELOPMENT LOANS ACT

### Revised Edition

showing the law as at 31 December 2002

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, No. 9 of 1986.

This edition contains a consolidation of the following laws—

### DEVELOPMENT LOANS ACT

**Act 5 of 1988** ... in force 10th February 1988

Amended by: Act 10 of 1993

Act 18 of 2002

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**CHAPTER 20.08**  
**DEVELOPMENT LOANS ACT**

AN ACT TO AUTHORISE THE RAISING OF CERTAIN LOANS FOR DEVELOPMENTAL PURPOSES BY THE GOVERNMENT, AND TO PROVIDE FOR RELATED OR INCIDENTAL MATTERS.

**Short title.**

1. This Act may be cited as the Development Loans Act.

**Interpretation.**

2. In this Act—

“Consolidated Fund” means the Consolidated Fund of Saint Christopher and Nevis;

“Government” means the Government of Saint Christopher and Nevis;

“Gross Domestic Product” means the Gross Domestic Product at Market Price computed and reported each year by the Statistics Division of the Planning Unit of the Government;

*(Inserted by Act 18 of 2002)*

“Minister” means the Minister responsible for the subject of Finance.

**Authority to borrow a sum or sums not exceeding sixty per centum of Gross Domestic Product.**

3. Subject to the provisions of this Act, the Government may and the Government is hereby authorised from time to time as it may require and on such terms and conditions as may be agreed between the Government and the lenders to borrow a sum or sums of money not exceeding in the aggregate sixty per centum of the most recently published Gross Domestic Product of the State.

*(Amended by Acts 10 of 1993 and 18 of 2002)*

**Principal monies and interest to be a charge upon Consolidated Fund.**

4. The principal monies and interest represented by any loan or loans raised under the provisions of this Act are hereby charged upon and are payable out of the Consolidated Fund.

**Manner of raising loan.**

5. The loan or loans hereby authorised or any part of such loan or loans shall be raised by agreement signed by the Minister of Finance or by the issue of debentures.

*(Amended by Act 10 of 1993)*

**Issue and form of debentures.**

6. (1) The debentures shall be issued in Saint Christopher and Nevis and shall be signed by the Financial Secretary in the Ministry of Finance.

(2) The debentures issued under the authority of this Act shall be in such form as the Minister may direct or approve.

**Redemption of debentures.**

7. The debentures issued under the authority of this Act shall be redeemable at a price not exceeding par on a fixed date to be declared on the issue of the debentures:

Provided that the Government may reserve the option to redeem the debentures or part of them by drawings or otherwise at any time prior to such date on such conditions as may be declared at the time of issue.

**Register Book to be kept.**

8. Every debenture issued under the authority of this Act shall before being issued be registered in a Register Book to be kept for that purpose at the Treasury.

**Coupons to be attached to debentures.**

9. (1) There shall be attached to every debenture, coupons in such form as the Minister may direct or approve, for the payment of the interest to become due in each quarter upon the principal represented by the debenture.

(2) The coupons shall be sufficient in number to provide for the payment of the interest either during the whole period for which the debenture has to run or for such limited period as the Minister may determine.

**Transferable by delivery.**

10. Every debenture and coupon and the right to receive the principal and interest represented thereby shall be transferable by delivery.

**Provision for payment of interest and for contribution to Sinking Fund.**

11. (1) So long as any of the debentures remain outstanding the Accountant General shall in each quarter appropriate from the Consolidated Fund a sum equal to the amount of interest then due on the whole of the debentures including any which may have been redeemed and with that sum shall pay interest then due on the outstanding debentures on the day when it falls due.

(2) The Accountant General shall further appropriate annually out of the Consolidated Fund a sum of money representing a certain percentage on the total amount of the loan to be decided upon by the Minister.

(3) The Accountant General shall invest the sum appropriated as aforesaid in the purchase of such securities as may be approved by the Cabinet as a sinking fund for the final extinction of the debt and he or she shall also invest the dividends interest or produce of such investment in the purchase of like securities and may from time to time with the approval of Cabinet change any such investment and shall hold such fund in trust for the repayment of the principal monies for the time being represented by the debentures.

(4) Debentures shall not be deemed to be outstanding for the purpose of this Act by reason only that one or more of the debentures have not been presented for payment on the day appointed for payment and have in consequence not been paid.

**Any deficiency in Sinking Fund to be made good from Consolidated Fund.**

12. In case the Sinking Fund is insufficient for payment of all the principal monies borrowed under the authority of this Act at the time the same shall have become due the Government shall make good the deficiency out of the Consolidated Fund.

**Expenses incidental to Sinking Fund.**

**13.** All expenses of and incidental to the management of the Sinking Fund or the repayment of the principal monies borrowed under the authority of this Act shall be paid out of the Sinking Fund.

**Cancellation of debentures.**

**14.** Upon payment of the principal monies secured by any debenture, the debenture shall be delivered to the Accountant General to be cancelled and retained by him or her.

**Appropriation and purpose to which loan to be applied.**

**15.** (1) Any sum raised to defray the expenses of issue shall be applied only to that purpose.

(2) Save as aforesaid, the monies raised by loan under the authority of this Act shall be appropriated and applied for the purpose of—

- (a) the provision of funds for financing housing and related developmental activities;
  - (b) the provision of funds for financing general developmental works; and
  - (c) defraying expenses incidental to the above.
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