



ST. CHRISTOPHER AND NEVIS

CHAPTER 20.19

GENERAL LOCAL LOAN ACT

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GENERAL LOCAL LOAN ACT

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CHAPTER 20.19 GENERAL LOCAL LOAN ACT

AN ACT TO DECLARE THE TERMS AND CONDITIONS APPLICABLE TO LOCAL LOANS, AUTHORISED TO BE RAISED BY THE NATIONAL ASSEMBLY BY THE ISSUE OF DEBENTURES; AND TO PROVIDE FOR RELATED OR INCIDENTAL MATTERS.

Short title.

1. This Act may be cited as the General Local Loan Act.

Interpretation.

2. In this Act—

“prescribed” means prescribed by this Act or by any rules or regulations made thereunder;

“West Indies” means any or all of the States of Antigua, Barbados, Dominica, Grenada, Jamaica, Montserrat, St. Christopher and Nevis, Anguilla, St. Lucia, St. Vincent, and Trinidad and Tobago.

Scope.

3. This Act shall be applicable only to loans raised in the West Indies.

Loans to be raised by debentures.

4. Whenever by an Act authority is given to the Minister to raise any sum of money for the purposes mentioned in such Act the Minister may, from time to time, as he or she may deem expedient raise such sum or any part of such sum by debentures issued under the provisions of this Act.

Loans to be a charge upon general revenue.

5. The principal monies and interest represented by such debentures are hereby charged upon and shall be payable out of the general revenues and assets of the State.

Borrowing upon debentures.

6. The debentures shall be issued in the State upon the best and most favourable terms that can be obtained and shall be signed by the Minister and Accountant-General or by any other person or persons specially authorised in that behalf by the Minister.

Amount of each debenture.

7. Each debenture may be for a sum of one hundred dollars, two hundred and fifty dollars, five hundred dollars, one thousand dollars or five thousand dollars.

Debentures may be either fixed date or drawing debentures.

8. The debentures shall be redeemable either—
 - (a) at par on a fixed date to be declared on the issue of the debentures, such date not being later than sixty years from the date of issue, provided that the Minister may reserve the option to redeem the debentures prior to such date on such conditions as may be declared at

the time of issue (such debentures being hereinafter referred to as fixed-date debentures); or

- (b) by annual drawings at par or at the option of the Minister by purchase in the market as hereinafter provided (such debentures being hereinafter referred to as drawing debentures).

Debentures to be registered and transferable by instrument in writing.

9. (1) Every debenture shall, before being issued, be registered by the Accountant-General in a register to be kept for that purpose at the office of the Accountant-General, and the name and address of the holder of each debenture and all transfers of debentures shall be noted in the register.

(2) Debentures shall be transferable by instrument in writing in such form and subject to such conditions as may be prescribed by the Minister.

Register to be conclusive evidence of facts entered therein.

10. (1) The entries in the register kept under the provisions of this Act, shall be conclusive evidence of the facts, matters, particulars and transactions to which these entries relate.

(2) A copy of an entry in the register certified under the hand of the Accountant-General to be a true copy of the original entry shall be receivable in evidence in any judicial proceedings unless a Judge of the High Court shall otherwise direct.

Form of debenture.

11. Debentures shall be in such form as the Minister may direct or approve.

Payment of interest.

12. The interest upon the principal represented by each debenture shall run from the day named in that behalf in the debenture and shall be payable half-yearly on the days named in that behalf in the debenture at the office of the Accountant-General in such manner as may be prescribed by the Minister.

Mode of providing for payment of interest on debentures and for contributions to sinking fund.

13. (1) So long as any of the debentures remain outstanding the Minister shall in each half-year ending with the day on which the interest on the debenture falls due appropriate out of the general revenues and assets of the State a sum equal to one half-year's interest on the whole of the debentures issued including any which may have been redeemed.

(2) The Minister shall also in the half-year ending on the date specified in the terms of issue of the loan as that on which the first contribution to the sinking-fund shall be taken and in each subsequent half-year appropriate out of the revenues and assets of the State for the formation of a sinking fund an additional sum equal to one-half of the annual contribution to be decided upon by the Minister on the issue of the loan, and such contribution shall be in respect of the total nominal amount of all the debentures issued including any which may have been redeemed.

(3) Debentures shall not be deemed to be outstanding for the purposes 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.

Creation of sinking fund for redemption of debentures payable on a fixed date.

14. In the case of fixed-date debentures so much of the monies appropriated as aforesaid as shall not be required for the immediate payment of interest shall be remitted to the Crown Agents for the formation of a sinking fund and the Crown Agents shall place at interest or invest the money so remitted to them in the purchase of such securities as may be approved by the Minister as a sinking fund for the final extinction of the debt and shall also place at interest or invest the dividends, interest or produce of such investments in the purchase of like securities and may, from time to time, with the approval of the Minister, change any such investments and shall hold such fund in trust for the repayment of the principal monies for the time being represented by the debentures:

Provided that if at any time the trustees of the sinking fund are satisfied that the value of the fund will be sufficient with further accumulations of interest, but without further payments of contributions to enable the debentures to be redeemed out of the proceeds of the sinking fund when the same shall fall due to be redeemed, the Minister may suspend further payment of contributions to the sinking fund:

Provided further that contributions to the sinking fund shall be recommenced if the trustees shall at any time inform the Minister that it is necessary.

Disposal of sinking fund when debentures are redeemed by purchase of annual drawings.

15. In the case of drawing debentures so much of the monies appropriated as provided in this Act as shall not be required for the immediate payment of interest and the accumulations thereon shall be held by the Accountant-General in trust to apply them to the purchase of the debentures when they can be obtained at a price not exceeding par and secondly to the redemption of the debentures by means of annual drawings in the following manner—

- (a) after the commencement of the contributions to the sinking fund in respect of any loan and so long thereafter as any of the debentures remain outstanding the Minister shall in every year unless the whole of the money applicable in that year to the redemption of debentures has been applied in the purchase thereof appoint a day in that year for the drawing by lot of the debenture to be redeemed;
- (b) if a day is appointed for drawing the Accountant-General shall give by advertisement in the *Gazette* and in at least two of the local newspapers circulating in the State not less than fifteen days' previous notice specifying the day on which and the hour and place at which the drawing will take place;
- (c) on the day and at the hour and place so specified the Minister and the Accountant-General or any other officers appointed by the Minister for the purpose shall hold a meeting at which the holder of any debenture may if he think fit be present and shall then in the presence of such debenture holders as may attend draw by lot out of the whole number of debentures for the time being outstanding debentures of the specified nominal amount;
- (d) the Minister and the Accountant-General or any other officers appointed as aforesaid shall thereupon declare the distinguishing numbers of the debentures drawn for redemption and the Accountant-General shall as soon as may be by advertisement in the *Gazette* and at least two of the local newspapers circulating in the State specify these

numbers and appoint a day, not being later as to each debenture than the day on which the then current half-year's interest thereon is payable, on which the principal monies represented by the debentures so distinguished will be repaid; and notice of the debentures drawn for redemption shall also be sent by post to the registered holders of such debentures;

- (e) from and after the day so appointed the Accountant-General shall at his or her office pay on demand to the holders of the debentures drawn for repayment the principal monies represented by these debentures with all interest payable thereon up to the appointed day.

Cesser of interest from day appointed for payment of principal.

16. From and after the day appointed for the repayment of any debenture, whether a fixed-date or a drawing debenture, all interest on the principal monies represented thereby shall cease and determine whether payment of the principal shall have been demanded or not.

Redeemed debentures to be cancelled.

17. Upon repayment of the principal monies represented by any debenture such debenture shall be delivered up to the Accountant-General to be by him or her cancelled and retained, and any drawing debenture redeemed by purchase shall likewise be so cancelled and retained.

Expenses of redemption to be borne by sinking fund.

18. All expenses of or incidental to the redemption of the debentures and the costs and expenses of all notices required by this Act to be given may be paid out of the sinking fund.
