
2nd Session Second Parliament Trinidad and Tobago
16 Elizabeth II



TRINIDAD AND TOBAGO
Act No. 3 of 1968

[L.S.]

AN ACT to provide for the establishment and incorporation of an Agricultural Development Bank, to define the powers and duties thereof and for matters incidental thereto.

[Assented to 25th January, 1968]

BE IT ENACTED by the Queen's Most Excellent Majesty, Enactment.
by and with the advice and consent of the Senate and
House of Representatives of Trinidad and Tobago, and
by the authority of the same, as follows:—

1. This Act may be cited as the Agricultural Develop- Short title,
ment Bank Act, 1968.

Interpretation.

2. (1) In this Act—

“agriculture” includes horticulture, aboriculture and silviculture, animal husbandry and the production of dairy produce and the produce respectively thereof and any product derived or manufactured respectively therefrom;

“agricultural credit society” means a society registered under the Agricultural Credit Societies Ordinance;

Ord. No. 6—
1954.

“agricultural co-operative society” means a society registered under the Agricultural Co-operative Societies Ordinance;

Ch. 23. No. 4

“the Bank” means the Agricultural Development Bank of Trinidad and Tobago established under section 4;

“Board” means the Board of Directors of the Bank;

“commercial fishing” means—

(a) the capturing or catching of any fresh fish in any lawful manner or by any lawful method whatsoever, or

(b) the processing, preserving, canning, distributing or marketing of fish or fish products,

for gain or reward;

“former Bank” means the Agricultural Credit Bank established under section 4 of the former Ordinance;

“former Ordinance” means the Agricultural Credit Bank Ordinance;

Ch. 23. No. 5.

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

(2) For the purposes of this Act, the Government shall be taken to hold a controlling interest in the Bank, if at any time it holds at least fifty-one per centum of the issued shares of the Bank.

(3) Where Government no longer holds a controlling interest in the Bank, the expression “with the approval of the Minister” wherever it occurs in this Act shall cease to have effect.

3. So long as Government holds a controlling interest in the Bank, the Board shall, in the exercise of the powers conferred and duties imposed on it by this Act, comply with any special or general directions which may from time to time be given to it by the Minister.

Special or
general
directions
of Minister

PART I

ESTABLISHMENT, INCORPORATION, CONSTITUTION AND MANAGEMENT OF THE BANK

4. There is hereby established a Bank to be known as the Agricultural Development Bank of Trinidad and Tobago.

Establishment.

5. The Bank is hereby created a body corporate.

Incorporation
of Bank.

6. The objects of the Bank shall be to encourage and foster the development of agriculture and commercial fishing and industries connected therewith and to mobilise funds for the purpose of such development.

Objects of
the Bank.

7. The head office of the Bank shall be in Port-of-Spain and there shall be established branch offices in such other areas of Trinidad and Tobago as may be considered necessary.

Place of
business.

8. (1) So long as Government holds a controlling interest in the Bank—

Auditor
General
to audit
accounts.

(a) the accounts of the Bank shall be audited annually by the Auditor General, and

(b) the annual estimates of revenue and expenditure and the accounts as audited shall be submitted to Parliament by the Minister.

(2) Where Government no longer holds a controlling interest in the Bank, the Board shall appoint auditors and make appropriate arrangements for annual audit.

9. The Bank shall be managed by a Board of seven directors who shall be appointed or elected in accordance with section 10 or section 11, as the case may be.

Board of
Directors.

10. (1) The Governor-General shall appoint directors of the Bank as follows—

Method of
appointment
of directors.

(a) one director from among persons proposed by the agricultural credit societies;

- (b) one director from among persons proposed by the agricultural co-operative societies;
 - (c) one director nominated by the Minister; and may, in accordance with the provisions of subsection (3), make such of the remaining appointment of directors as the circumstances set out in that subsection may require.
- (2) A director shall, subject to this Act and to the Rules made under this Part, be appointed for a term not exceeding three years but shall be eligible for re-appointment.
- (3) The power vested in the Governor-General by subsection (1) to appoint directors other than those described in paragraphs (a), (b) and (c) of that subsection shall be exercisable as follows—
- (a) where ninety per centum or a greater percentage of the issued shares is held by Government, the remaining four directors shall be appointed by the Governor-General;
 - (b) where less than ninety per centum but more than seventy-five per centum of the issued shares is held by Government, three of such directors shall be appointed by the Governor-General and the remaining one shall be elected by the shareholders of the Bank in accordance with this Act;
 - (c) where less than seventy-five per centum but more than sixty per centum of the issued shares is held by Government, two of such directors shall be appointed by the Governor-General and the remaining two shall be elected by the shareholders of the Bank in accordance with this Act;
 - (d) where less than sixty per centum but not less than fifty-one per centum of the issued shares is held by Government, one of such directors shall be appointed by the Governor-General and the remaining three shall be elected by the shareholders of the Bank in accordance with this Act.
- (4) One director may by the Governor-General be designated Chairman of the Board.

11. (1) Where Government no longer holds a controlling interest, the provisions of section 10 shall cease to have effect and the Board of Directors shall consist of two directors appointed by the Governor-General and the remaining five directors elected in accordance with this Act.

Appointment and election of Directors where Government no longer holds controlling interest.

(2) A director appointed by the Governor-General shall be appointed for a term not exceeding three years and may be eligible for re-appointment.

12. (1) Subject to the provisions of this Act, the elected directors shall be elected by the shareholders at a general meeting of the Bank for a period of three years but shall be eligible for re-election.

Term of office of elected directors.

(2) Notwithstanding anything to the contrary in this Act, every elected director, unless he sooner vacates his office, shall continue in office until his successor comes into office.

13. (1) The Board shall meet at least once in every quarter.

Meetings of the Board.

(2) The Chairman may at any time call a meeting of the Board at his own instance.

(3) Within seven days of the receipt by him of a request in writing signed by at least four members of the Board, the Chairman shall call a special meeting of the Board.

(4) Four members of the Board shall form a quorum and in the event of equality of votes, the Chairman shall have a casting vote.

(5) Subject to this section and to any rules made under this Part, the Board shall have power to regulate its own procedure.

14. (1) There shall be a General Manager who shall be the chief executive officer. He shall be charged with the day-to-day administration and control of the business of the Bank and shall have authority to act in the conduct of the business of the Bank in all matters which are not by this Act or by any rules or regulations made hereunder specifically reserved to be done by the Board. He shall be answerable to the Board for his acts and decisions.

General Manager.

(2) Though not a member of the Board, the General Manager shall at the request of the Board attend Board meetings but shall not vote thereat.

(3) On the expiration of the term of office of the first General Manager who shall be appointed by the Governor-General on such terms and conditions and for such period as may be designated in the instrument appointing him, the Board thereafter shall appoint a General Manager for a period not exceeding five years. At the end of this period the General Manager shall retire but he shall be eligible for re-appointment.

(4) No person who is a director of the Bank or a member of Parliament or any municipal council or county council shall be appointed General Manager.

Resignation
of General
Manager and
Directors
in certain
cases.

15. Where the General Manager or any director of the Bank is appointed by the Governor-General, the General Manager or any such director may resign his office by giving to the Governor-General three months' notice in writing (or such shorter notice as the Governor-General may agree to accept) of his intention so to do and at the expiration of such period he shall be deemed to have resigned from his office.

Termination of
appointment
of General
Manager and
directors in
certain cases.

16. The Governor-General may terminate any appointment made by him in pursuance to this Act to the office of General Manager or director of the Bank, if the General Manager or a director so appointed—

- (a) becomes of unsound mind or incapable of carrying out his duties;
- (b) is convicted and sentenced to a term of imprisonment;
- (c) becomes bankrupt or compounds with, or suspends payment to, his creditors;
- (d) is convicted of any offence involving dishonesty;
- (e) is guilty of misconduct in relation to his duties;
- (f) is absent, except on leave granted by the Board, from two consecutive statutory quarterly meetings;
- (g) fails to carry out any of the duties or functions conferred or imposed on him under this Act.

17. (1) Subject to subsection (2) and to such rules as may be made in that behalf under this Act, the remuneration and allowances payable to the General Manager and the directors of the Bank shall be determined from time to time by the shareholders of the Bank at a General Meeting of such shareholders.

Remuneration
of General
Manager and
Directors.

(2) So long as the Government holds the controlling interest in the Bank, the General Manager and the directors of the Bank shall be paid such remuneration and allowances as may from time to time be determined by the Governor-General.

18. (1) Any member of the Board, whose interest is likely to be affected whether directly or indirectly by a decision of the Board on any matter whatsoever, shall disclose the nature of the interest at the first meeting of the Board at which he is present after the relevant facts have come to his knowledge.

Member of
Board to
declare
interest.

(2) A disclosure under subsection (1) shall be recorded in the minutes of the Board, and after the disclosures, the member making the disclosure shall, unless the Board otherwise directs, not be present, or take part in the deliberation or vote at any meeting during the time when such matter is being decided by the Board.

(3) For the purposes of this section, where the interest of parents, spouse or children of any member of this Board is likely to be affected directly or indirectly by a decision of the Board on any matter whatsoever, such interest shall be deemed to be the interest of such members of the Board.

19. (1) An ordinary general meeting of shareholders of the Bank shall be convened by the Board once in every year.

Meetings of
shareholders.

(2) Every shareholder of the Bank shall be entitled to vote at general meetings of the shareholders of the Bank and to exercise one vote for every share of which he is the registered holder.

(3) Every shareholder shall be entitled to exercise his right to vote at any general meeting through any other shareholder whom he appoints as his proxy.

Staff

Power to
employ.
Fixing
remuneration
of employee.

20. (1) Subject to subsection (2) and to sections 21, 22 and 23, the Board may appoint and employ at such remuneration and on such terms and conditions as it may think fit, such officers and servants as may be deemed necessary for the efficient conduct of the business of the Bank.

(2) Where Government holds a controlling interest in the Bank, the Board may make no appointment to any post which carries remuneration that exceeds \$8,400 per annum without the approval of the Minister.

Certain
conditions
of employment
of staff of the
former Bank.

21. (1) An officer or servant of the former Bank appointed in pursuance of the provisions of subsection (1) of section 8 of the former Ordinance and who holds office or employment under the former Bank immediately prior to the coming into operation of this Act may be retired or may be given the option of electing within six months of the commencement of this Act to retire or of continuing his service under the Bank.

(2) Where an officer or servant is retired or elects to retire, he shall be entitled to pension, provident fund or abolition of office terms as appropriate.

(3) (a) Where an officer or servant elects to continue his service under the Bank, he shall—

(i) be regarded as transferred to the service of the Bank; and

(ii) have preserved to him all superannuation rights accruing at the time of his transfer; so, however, that all such rights shall be forfeited on dismissal by the Bank in such circumstances as they would have been forfeited on dismissal from the service of the former Bank.

(b) In the case of an officer or servant retiring from or dying in the service of the Bank before the establishment of the pension scheme in accordance with the provisions of section 25, any superannuation rights accruing at the time of his retirement or death shall be paid in accordance with regulations made by the Minister for that purpose.

Officer transferred
from the service of
the Government
to the service of
the former Bank.

22. (1) An officer or servant of the former Bank who was transferred thereto from the service of the Government with the approval of the Governor-General in accordance with subsection (3) of section 8 of the former Ordinance

and who holds an office or employment under the former Bank immediately prior to the coming into operation of this Act shall be given the option of reverting to such office in the public service as the appropriate Service Commission may consider appropriate having regard to the officer's or servant's qualifications and experience and to the promotional advances which the officer or servant is likely to have made had he not been transferred to the service of the former Bank, or of continuing his service under the Bank. The option of reverting to an office in the public service or of continuing in service under the Bank shall be exercisable within three years of the coming into operation of this Act.

(2) Where an officer or servant elects to continue his service under the Bank, he shall have preserved to him all superannuation rights which have accrued to him under the Pensions Ordinance on the date of his so electing.

(3) In the case of an officer or servant not being appointed to an office in the service of the Bank within one year of his electing to continue his service thereunder, he shall be deemed to have been transferred on secondment to the service of the Bank.

(4) The provisions of subsection (3) (b) of section 21 shall apply also to officers and servants referred to in this section.

23. (1) An officer in the service of the Government may with the approval of the Minister be appointed to an office in the service of the Bank and upon such appointment shall become a member of the pension scheme referred to in section 25.

Appointment of Government Officers to the service of the Bank.

(2) An appointment described in subsection (1) shall be on such terms as may be acceptable to the Government, the Bank and the officer concerned.

24. (1) Subject to subsection (2), the Bank may provide out of its funds and make such arrangements for training of any of its officers or employees or other persons as it may deem expedient for the efficient conduct of the business of the Bank.

Power to train officers and employees.

(2) Where the Government holds a controlling interest in the Bank, the Bank may not, without the permission of the Minister, provide under subsection (1) funds in respect of any one officer in excess of \$8,400.

Establishment
of a Pension
Scheme.

25. The Bank shall, within a period of three years from the date of its establishment with the approval of the Minister, provide for the establishment and maintenance of a compulsory Pension Scheme for the benefit of the officers and servants of the Bank, and in every such Scheme different provisions may be made for different classes of officers and servants.

Transfer from
service of the
Bank to Service
of the Govern-
ment and *vice*
versa.

26. (1) Where the Government holds a controlling interest in the Bank and subject to subsection (2), the Minister with the approval of the appropriate Service Commission and the Bank may make appropriate arrangements for the transfer on secondment of any officer in the service of the Government to the service of the Bank or from the service of the Bank to the service of the Government.

(2) Where a transfer on secondment contemplated by subsection (1) is effected, the Government or the Bank as the case may be shall make such arrangements as may be necessary to preserve the rights of the officers so transferred to any pension, gratuity or other allowance for which he would have been eligible had he remained in the service of the Government or of the Bank as the case may be.

(3) A period of transfer on secondment shall not in any case exceed two years.

(4) Notwithstanding anything contained in any law to the contrary, an officer or employee appointed by the Bank under subsection (1) of section 20 or an officer transferred on secondment from the service of the Government to the service of the Bank under subsection (1) of this section shall not, during the period of such appointment or transfer on secondment as the case may be, be regarded as the holder of an office in the service of the Government.

Rules.

27. The Board may, with the approval of the Minister, make rules—

- (a) relating to the holding of the General Meetings of shareholders of the Bank, the notices required for the holdings of such meetings and the proceedings at such meetings;
- (b) prescribing the entitlement of shareholders to vote at any meeting and the manner in which such votes shall be taken;

- (c) prescribing the terms, conditions and remuneration of a secretary and of the other employees and servants of the Bank;
- (d) generally for the proper carrying out of the objects, powers and duties of the Bank under this Part.

PART II

FINANCIAL PROVISIONS

28. (1) The authorised share capital of the Bank shall be twenty million dollars divided into two million shares valued at ten dollars each. Authorised share capital of the Bank.

(2) The authorised share capital of the Bank may be varied, with the approval of the Minister, by resolution of the Board passed in accordance with rules made under this Part and any such resolution shall not have effect unless it is approved by the Senate and the House of Representatives.

(3) The liability of the Bank shall be limited to the value of the number of shares issued under this Act.

29. Shares in the Bank to the value of the assets of the former Bank by this Act vested in the Agricultural Development Bank shall be allocated to the Government and shall on the commencement of this Act represent the share holding of the Government in the Bank. Shares to be held by Government.

30. (1) As soon as is practicable after the commencement of this Act and thereafter, from time to time, the Board shall offer shares in the Bank for sale to the public. Issue of shares to the public.

(2) Notwithstanding subsection (1), there shall be reserved an adequate number of shares for allocation to borrowers from the Bank.

31. (1) The shares of the Bank shall be registered and transferable in the books of the Bank. Share register and transfer of shares.

(2) The Board shall be entitled without assigning any reason to decline to accept any person whomsoever as the transferee of any share.

32. (1) The Bank may, on the recommendation of the Minister, borrow from the Government such sums as may be necessary. Bank may borrow from Government.

(2) Loans made under this section shall be on such terms and conditions and for such periods as the Governor-General may determine but shall not in any event be made for a period in excess of thirty years and repayment shall commence not later than ten years from the date when the loan was made.

Rules made
under this
Part.

33. The Board with the approval of the Minister may make rules—

- (a) regulating the rights of holders of shares and the variation of such rights;
- (b) relating to any lien on shares not fully paid;
- (c) prescribing the circumstances under which a call on shares may be made by the Board;
- (d) regulating the mode of transfer or transmission of shares;
- (e) specifying the circumstances in which shares may be forfeited and the procedure to be adopted for such forfeiture;
- (f) describing the method of conversion of shares into stocks;
- (g) regulating the alteration of its share capital;
- (h) prescribing the borrowing powers of the Bank;
- (i) describing the manner of declaring dividend and of creating reserves;
- (j) specifying the methods of keeping the accounts of the Bank and the mode of preparation of profit and loss accounts, balance sheet and reports; and
- (k) regulating the capitalisation of profits.

PART III

BUSINESS OF BANK, DEPOSITS, LOANS, ETC.

Authorised
business of
the Bank.

34. For the purpose of giving effect to its objects the Bank may, subject to this Act—

- (a) open accounts for and accept savings or time deposits from the public;
- (b) make or underwrite loans for the development of agriculture and commercial fishing to individuals, agricultural credit societies, agricultural co-operative societies and to such other bodies whether corporate or unincorporate as the Board may approve;

- (c) act as agent for Government or any department or Ministry thereof for the collection of moneys due and owing to Government or any department or Ministry thereof in pursuance of an agreement or undertaking relating to the grant, lease or other disposition of lands for agricultural development schemes;
- (d) raise money for the financing of its operations by issuing securities;
- (e) assist generally in the development of the agricultural co-operative movement;
- (f) do such other things as are incidental to the attainment of its objects as specified in section 6.

35. Loans which the Bank may make shall be on such terms and conditions and for such periods as the Board may deem appropriate. Categories
of loans

36. (1) Subject to this Act and to the regulations made thereunder, any loan made by the Bank for a period not exceeding eighteen months shall be a short term loan the security for which shall be the borrower's crop and may also include agricultural stock. Short term
loans

(2) The Bank may where it grants a short term loan impose all or any of the following as conditions of the grant of the loan—

- (a) that the borrower sign an irrevocable note undertaking to deposit with the Bank the proceeds of the sale taken as security for the said loan;
- (b) where the borrower is a member of an agricultural co-operative society, that the borrower shall deposit with the agricultural co-operative society of which he is a member the proceeds of the sale of the crop.

(3) The grant of a loan under this section shall be evidenced by an instrument in writing and shall be in the prescribed form.

37. (1) Subject to this Act and the regulations made thereunder, a medium term loan shall be a loan for a period exceeding eighteen months but not exceeding ten Medium term
loans

years, and subject to subsection (2), secured by an instrument of charge (hereinafter referred to as an agricultural charge) on all or any of the agricultural stock belonging to the borrower.

(2) The instrument of charge required by subsection (1) shall be in the prescribed form signed by the borrower and sealed with the seal of the Bank. Thereafter it shall be forwarded by the Board to the Registrar General for registration in a register for the purpose. Such register shall be open to the public free of cost.

(3) The Board may, if in its opinion, the circumstances of a particular case so require, demand that a loan described in subsection (1) shall be secured by a first mortgage of a freehold interest in land, and in any such case the provisions of section 40 shall apply.

(4) The property affected by an agricultural charge shall be such property forming part of the agricultural stock belonging to the borrower at the date of the charge as may be specified in the charge but may include—

- (a) in the case of live stock, any progeny thereof which may be born after the date of the charge;
- (b) in the case of agricultural plant, any plant which may while the charge is in force be substituted for the plant specified in the charge.

(5) Subject to this Act and the regulations made thereunder, an agricultural charge may be on such conditions as to amortisation and moratoria as the parties thereto may agree and sureties may be a party thereto.

(6) For the purpose of this Part, "agricultural stock" means crop or horticultural produce, whether growing or severed from the land, and after severance whether subjected to any treatment or process of manufacture or not; live stock, including poultry and bees, and the produce of progeny thereof; any other agricultural or horticultural produce whether subjected to any treatment or process of manufacture or not; seeds and manures; agricultural vehicles, buildings, machinery and other plant.

Effect of
agricultural
charge.

38. (1) An agricultural charge shall, so long as the charge continues in force, confer on the Bank the following rights and impose upon the Bank the following obligations, that is to say—

- (a) a right, upon the happening of any event specified in the charge as being an event

authorising the seizure of property subject to the charge, to take possession of any property so subject;

- (b) where possession of any property has been so taken a right, after an interval of five clear days or such less time as may be allowed by the charge, to sell the property either by public auction or, if the charge so provides, by private treaty, and either for a lump sum payment or payment by instalments;
- (c) an obligation, in the event of such power of sale being exercised, to apply the proceeds of sale in or towards the discharge of the moneys and liabilities secured by the charge, and the cost of seizure and sale, and to pay the surplus (if any) of the proceeds to the borrower.

(2) An agricultural charge shall, so long as the charge continues in force, impose on the borrower the following obligations—

- (a) an obligation whenever he sells any of the property comprised in the charge, forthwith to pay to the Bank the amount of the proceeds of the sale or the money so received, except to such extent as the charge otherwise provides or the Bank otherwise allows; the sums so paid to be applied, except so far as otherwise agreed, by the Bank, in or towards the discharge of moneys and liabilities secured by the charge;
- (b) an obligation in the event of the borrower receiving any money under any policy of insurance on any of the property comprised in the charge, forthwith to pay the amount of the sums so received to the Bank, except to such extent as the charge otherwise provides or the Bank otherwise allows; the sums so paid to be applied, except so far as otherwise agreed by the Bank, in or towards the discharge of the moneys and liabilities secured by the charge.

(3) Subject to compliance with the obligations so imposed, an agricultural charge shall not prevent the borrower from selling any of the property subject to the charge, and neither the purchaser, nor, in the case of a sale by public auction, the auctioneer, shall be concerned

to see that such obligations are complied with notwithstanding that he may be aware of the existence of the charge.

(4) Where any proceeds of sale which in pursuance of such obligation as aforesaid ought to be paid to the Bank are paid to some other person, nothing in this Act shall confer on the Bank a right to recover such proceeds from that other person unless the Bank proves that such other person knew that the proceeds were paid to him in breach of such obligation as aforesaid, but such other person shall not be deemed to have such knowledge by reason only that he has notice of the charge.

Supplemental provisions as to agricultural charges.

39. (1) An agricultural charge shall have effect notwithstanding anything in the Bills of Sale Ordinance and shall not be deemed to be a bill of sale within the meaning of that Ordinance.

(2) Agricultural charges shall in relation to one another have priority in accordance with the times at which they are respectively registered under this Part.

(3) Agricultural stock subject to an agricultural charge shall not, for the purposes of the Bankruptcy Ordinance, be deemed to be goods in the possession, order, or disposition of the borrower, in his trade or business, by the consent and permission of the true owner thereof, under such circumstances that he is the reputed owner thereof.

(4) Where a borrower who is adjudged bankrupt has created in favour of the Bank, an agricultural charge on any of the farming stock belonging to him, and the charge was created within three months of the date of the presentation of the bankruptcy position and operated to secure any sum owing to the Bank immediately prior to the giving of the charge, then, unless it is proved that the borrower immediately after the execution of the charge was solvent, the amount which but for this provision would have been secured by the charge shall be reduced by the amount of the sum so owing to the Bank immediately prior to the giving of the charge, but without prejudice to the Bank's right to enforce any other security for that sum or to claim payment thereof as an unsecured debt.

(5) Where after the coming into operation of this Act, the borrower has mortgaged his interest in the land comprised in the holding, then, if growing crops are in-

cluded in an agricultural charge, the rights of the Bank under the charge in respect of the crops shall have priority of those of the mortgages, whether in possession or not, and irrespective of the dates of the mortgage and charge.

(6) An agricultural charge shall be no protection in respect of property included in the charge which but for the charge would have been liable to distress for rent, taxes, or rates.

(7) An instrument creating an agricultural charge shall be exempt from stamp duty.

40. (1) Subject to this Act and the regulations made thereunder, a loan for a period exceeding ten years but not exceeding thirty years shall be a long term loan and shall be secured by a first mortgage of the lands in respect of which it is made, by a deed registered under the Registration of Deeds Ordinance or by a memorandum of mortgage registered under the Real Property Ordinance, and shall contain a personal covenant by the mortgagor for the repayment of such loan, and such other covenants and provisions as may be agreed upon between the mortgagor and the Bank.

Long term
loans.

Ch. 28. No. 2.

Ch. 27. No. 11.

(2) Notwithstanding anything contained in the Real Property Ordinance, the forms of memorandum of mortgage and discharge or receipt prescribed under the provisions of this Act may be used in lieu of the forms provided by the Real Property Ordinance.

(3) Every mortgage to secure a loan under the provisions of this Act and registered under the Registration of Deeds Ordinance may be vacated by a receipt in the prescribed form under the seal of the Bank duly authenticated. Such receipt shall vest the estate of and in the property comprised in the mortgage in the person for the time being entitled to the equity of redemption without any reconveyance whatever. The Registrar General shall, on production of such receipt, endorse upon the mortgage an entry to the effect that such mortgage is satisfied, and shall grant a certificate in the prescribed form to the effect, which certificate shall be received in evidence in all courts and proceedings without further proof; and which entry shall have the effect of clearing the register or record of such mortgage.

Definition of
"agricultural
purposes".

41. (1) For the purpose of the grant of loans in pursuance of section 40, the expression "agricultural purposes" means the purchase, development, maintenance and improvement of agricultural lands, the discharge of liabilities in respect of the development, maintenance and improvement of agricultural lands, the discharge of prior encumbrances on agricultural lands, the incurring of expenditure necessary for the preparation of the produce of lands for market, the purchase of live and dead stock and of artificial manure, the payment of rents, rates and taxes in respect of agricultural land and buildings standing thereon, the erection and repair of buildings and any purpose incidental, accessory or ancillary to any of the foregoing purposes and includes any other purpose that may be prescribed.

(2) For the purpose of the grant of loans in pursuance of sections 36 and 37, the expression "agricultural purposes" means the development, maintenance and improvement of lands, the payment of labour and purchase of supplies required to plant, cultivate and manure land and to reap and make merchantable, the crop or produce thereof, the cultivation of secondary crops and expenses of reaping and making merchantable such crop, the payment of premiums on insurance in so far as such insurance relates to the payment of workmen's compensation or to the production of the major crop and to the buildings, factories and machinery erected and standing on the lands and used in connection therewith the payment of rents, rates and taxes, subsistence allowance to the owner where the Board is satisfied that he has no other means of subsistence, any purpose, incidental, accessory or ancillary to the purposes, and includes any other purpose that may be prescribed.

Provisions
relating to
loans.

42. (1) Every loan shall be within such limits as may be prescribed and shall be made subject to such security as to the Board may seem sufficient.

(2) Every loan shall bear interest at such rate as may be prescribed.

(3) Every loan, together with interest thereon, shall be repayable within such period as may be prescribed or fixed by the Board, as the case may be.

43. (1) Subject to section 46, no loan made under the provisions of this Act shall be applied otherwise than for such purposes as may be authorised by the Bank. Applications of loan.

(2) Any person who shall apply any loan or part thereof or any advance or part thereof made to him under the provision of this Act to any purpose other than those authorised by the Bank shall be liable, on summary conviction, to a fine of five hundred dollars, or to imprisonment for six months or to both such fine and imprisonment.

(3) The provisions of subsection (2) shall be without prejudice to the rights of the Bank to recover the amount of the loan with the interest due and payable thereon in accordance with the terms and conditions set out in the instrument under which the loan has been granted.

44. (1) Applications for loans from the Bank shall be made on the prescribed form and shall be addressed to the Chairman of the Board. Form of application for loans.

(2) Subject to this Act and the Rules and regulations made thereunder and to the power of the Minister so long as Government holds a controlling interest to vary the amounts specified in this subsection—

- (a) loans to the value of \$1,500 may be granted by the Managers of branches of the Bank;
- (b) loans to the value of \$10,000 may be granted by the General Manager.

(3) All loan applications shall be reported to the Board.

45. (1) Subject to subsection (3), the Board may grant loans to individuals and such bodies of persons whether corporate or unincorporate as the Board may approve with such security as may be prescribed for any of the purposes specified in subsection (2). Loans for commercial fishing.

- (2) The purposes referred to in subsection (1) are—
- (a) the purchase of fishing equipment;
 - (b) the processing of fish products; and
 - (c) the provision of marketing facilities for fish and fish products.

(3) Subject to subsection (2), the provisions of this Part which relate to the grant of loans for agricultural

purposes shall apply *mutatis mutandis* to loans granted under this section.

General conditions of grant of loans under this Part.

46. It shall be a condition of every loan that the borrower holds shares in or shall within such reasonable time as the Bank may determine purchase shares in the Bank to an amount equal in value to at least five per centum of the loan.

Amortisation of capital and interest moratoria.

47. Notwithstanding anything contained in this Part relating to the repayment of any loan, the Bank shall, in fixing the terms and conditions in accordance with which such loan is to be granted, have regard to earning capacity of the undertaking to which the loan is to be applied and to any other circumstances which may affect the ability of the borrower to repay the capital and the interest thereon by regular instalments and may in appropriate cases—

- (a) agree that the capital and the interest thereon may be repaid by amortised payment;
- (b) permit the non-payment of any part of the capital or interest due and payable under the instrument of charge for such period or periods as it may fix from time to time.

PART IV

TRANSITIONAL, REGULATIONS AND REPEAL

Transitional provisions.

48. (1) All lands and property of whatsoever nature vested in the former Bank shall be and are hereby transferred to the Bank constituted under this Act without any conveyance, transfer or other formality and shall vest in the Bank in the same manner and for the same estate as previously held by the former Bank.

(2) Every loan or advance made by the former Bank and still due and owing on the date of the coming into operation of this Act shall be deemed to have been made by the Bank, and all charges of whatsoever nature for securing the repayment of any such loan or advance, to the former Bank shall be deemed to have been made in favour of the Bank which is hereby substituted without any other formality for the former Bank in every deed and every memorandum of mortgage or charge and other document evidencing any such loan or advance for securing its repayment.

(3) All the benefits of any policies of insurance made by borrowers under the former Ordinance either as collateral security or in respect of buildings and machinery secured by mortgage and every insurance assigned in favour of the former Bank by borrowing shall be deemed to have been assigned to the Bank and the policies concerned and all benefits accruing hereunder shall subsist and have effect accordingly without any notice or other formality whatsoever.

(4) Any memorandum of mortgage or advance endorsed by the Registrar General on a Crown grant or certificate of title, as provided by the former Ordinance, shall be deemed without any further endorsement being necessary, to have been made in respect of a memorandum of mortgage or advance in favour of the Bank.

(5) All the rights, powers, privileges, and authorities vested in or exercisable by the former Bank, are hereby transferred to and shall be exercisable by the Bank, and all the liabilities of the former Bank immediately prior to the coming into operation of this Act are hereby transferred and assigned to and shall become the liability of the Bank.

(6) All loans made by the former Bank in favour of agricultural co-operative societies or agricultural credit societies and still due and owing on the date of coming into operation of this Act shall be deemed to have been made by the Bank and all the rights, powers, privileges and authorities vested in or exercisable by the former Bank in connection with any such loan are hereby transferred and assigned to and shall be exercisable by the Bank, provided that on the coming into operation of this Act, the Bank shall be charged with and assume responsibility of and liability for all the amounts loaned by Government to such agricultural co-operative societies and agricultural credit societies, but shall not be liable to Government for any such amounts as are irrecoverable.

(7) Without limiting the generality of subsections (1) to (6), all monies standing immediately prior to the coming into operation of this Act to the credit of the former Bank shall be deemed to be transferred to and are hereby vested in the Bank, and the right to recover and receive all monies due to the former Bank, immediately prior to the coming into operation of this Act, or which would

thereafter have become due to the said Bank had not this Act come into operation, shall be deemed to be transferred to, and is hereby vested in, the Bank.

(8) The assets transferred to the Agricultural Development Bank by this section shall be valued by a qualified valuer approved by the Minister and shall be applied in the manner provided for by section 28.

Regulations.

49. (1) The Governor-General may so long as Government holds a controlling interest in the Bank make regulations for all or any of the following purposes, that is to say—

- (a) prescribing the additional purposes for which loans may be made under this Act;
- (b) prescribing the rates of interest to be charged on loans or advances made under this Act;
- (c) prescribing the forms to be used for the purposes of this Act, including the forms of mortgage and memorandum of discharge or receipts, the form of notification of a charge against lands in respect of which a loan is made under this Act;
- (d) prescribing the fees to be paid in respect of any matter or thing to be done in connection with a loan or advance under the provisions of this Act or the repayment thereof by the owner or other person obtaining a loan or by the Board;
- (e) prescribing a scale of legal charges to be made in connection with mortgages to secure loans made under this Act;
- (f) providing for any matters which are required by this Act to be prescribed;
- (g) generally for the purpose of carrying out the provisions of this Act.

(2) Regulations made under subsection (1) shall be subject to negative resolution of the Senate and the House of Representatives.

Applications

50. The provisions of the Banking Act shall not apply to the Agricultural Development Bank.

51. The Agricultural Credit Bank Act is hereby repealed. ^{Repeal.}
Ch. 3. No. 5.

Passed in the House of Representatives this 29th day
of December, 1967.

J. E. CARTER
Clerk of the House of Representatives (Acting)

Passed in the Senate this 3rd day of January, 1968.

J. E. CARTER
Clerk of the Senate