Third Session First Parliament Republic of Trinidad and Tobago

REPUBLIC OF TRINIDAD AND TOBAGO

Act No. 38 of 1979

[L.S.]

AN ACT to authorise the Government of Trinidad and Tobago to borrow money in Trinidad and Tobago or elsewhere, jointly with the Governments of other Member States of the Caribbean Community or independently of such States or to guarantee the repayment of loans, for the purpose of financing development projects in the Community as a whole.

[Assented to 12th October, 1979]

WHEREAS there was established by the Treaty done at Chaguaramas on 4th July, 1973, a Caribbean Community of which Trinidad and Tobago is a Member State:

And whereas the Government of Trinidad and Tobago in pursuance of its obligations under the Treaty is desirous of entering into loan or guarantee agreements jointly with other Member States or independently of such States:

And whereas it is necessary and expedient to authorise the Government of Trinidad and Tobago to borrow or to guarantee loans, jointly (or severally) with the Governments of other Member States of the Caribbean Community for the purpose of financing development projects within the said Community:

Enactment

BE IT ENACTED by the Parliament of Trinidad and Tobago as follows:—

Short title

1. This Act may be cited as the Caribbean Community Development Loans and Guarantee Act, 1979.

Interpretation

2. In this Act—

"Caribbean Community" or "Community" means the Community established under the Treaty done at Chaguaramas on 4th July, 1973;

"Co-guarantor" means the Government of any other Member State of the Caribbean Community which may enter jointly with the Government of Trinidad and Tobago into a guarantee agreement with a lending agency;

Act No. 4 of 1976

"Consolidated Fund" means the Consolidated Fund established under section 112 of the Constitution of the Republic of Trinidad and Tobago;

"corporation" means any corporation established in pursuance of a development project and includes the Caribbean Development Bank;

"debt charges" means interest, the repayment or amortisation of debt and all expenditure in connection with the raising of loans under this Act and the service and redemption of debt thereby created;

"development project" means a project established and undertaken as a joint venture by Member States for the purpose of general development of the Community;

"lending agency" means a lending Government or an international financial organisation or a bank or an insurance company or any other source of financing;

"Minister" means the Member of the Cabinet to whom responsibility for Finance is assigned;

"securities" means stocks (including inscribed stocks, registered stocks and stocks transferable by delivery) bonds, promissory notes, certificates, debentures, debenture stocks and other securities of any description issued under this Act.

Government authorised to borrow to finance Caribbean Community Development

3. (1) For the purpose of financing development projects within the Caribbean Community or of repaying borrowings effected for such projects, the Government may borrow money in Trinidad and Tobago or elsewhere in such sum or sums not exceeding in the aggregate fifty million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies and thereafter may borrow such further sum or sums as may be specified by resolution passed in the Senate and the House of Representatives.

(2) For the purpose of determining whether any borrowing is within any limit prescribed in or pursuant to subsection (1), the equivalent in Trinidad and Tobago dollars of any borrowing in any foreign currency shall be computed so as to take into account the prevailing rates of exchange effective on the date which the Minister certifies as the date on which all the terms and conditions of the loan have been determined.

Loan to be a charge on Consolidated Fund

4. The repayment of all loans raised and all sums payable pursuant to a guarantee given under this Act together with interest and other debt charges shall be a charge upon and payable out of the Consolidated Fund.

Issue of securities

5. All loans under this Act shall be raised by the creation and issue of securities which shall be in such forms and of such denominations and subject to such terms and conditions as may be determined by or with the authority of the Minister, including—

(*a*) the rate of interest payable thereon;

(*b*) the maturity date; and

(*c*) the place where and the currency in which principal and interest shall be paid.

Government authorised to guarantee repayment of loans

6. (1) Subject to section 7, the Government may in such manner and subject to such terms and conditions as may be agreed between it and a lending agency, jointly or severally with other co-guarantors—

(*a*) guarantee the repayment by a corporation of any sum which the corporation may borrow from a lending agency;

(*b*) undertake such other obligation as may be agreed between the Government and a lending agency in relation to or in pursuance of any agreement for such borrowing.

(2) A guarantee or undertaking given under this section shall be given in writing in the name of the Government of Trinidad and Tobago and may be signed on behalf of the Government by the Minister or by any person authorised in writing by the Minister in that behalf.

Limit on amounts of guarantee

7. (1) The aggregate amount of all sums that are guaranteed by the Government under this Act shall not exceed the sum of fifty million Trinidad and Tobago dollars (without taking into account any amount in respect of interest, commissions and other expenses secured by the guarantees) whether the sums guaranteed are expressed in any foreign currency or not.

(2) For the purpose of subsection (1) before any further guarantee is entered into—

(*a*) the amount of all borrowings by a corporation secured by guarantees by the Government shall be computed on the date of such further guarantee in accordance with subsection (1) and the aggregate amount of all such borrowings in foreign currency shall be computed so as to take into account the prevailing rates of exchange on the date of such further guarantee;

(*b*) the Minister shall certify in each further guarantee that the aggregate amount of all borrowings guaranteed by the Government under this Act does not exceed the limits imposed for the time being by or under subsection (1); and

(*c*) a certification under paragraph (*b*) shall be conclusive evidence of the facts stated therein.

(3) The limit on the amount of guarantee specified under subsection (1) may be varied by resolution of the Senate and the House of Representatives.

Corporation to repay to Government sums paid on its behalf

8. Where any sum is paid out of the Consolidated Fund as a result of any liability incurred by the Government under this Act in respect of any borrowing by or on behalf of a corporation, such corporation shall repay to the Consolidated Fund such sum, together with interest thereon at such rate and time and in such manner as the Minister may direct.

Minister may exempt obligations from stamp duty

9. Any obligation by the Government or a corporation under this Act including any security therefor whether principal, auxiliary, collateral or supplemental which the Government undertakes or guarantees may be exempted in whole or in part from the provisions of the Stamp Duty Ordinance by Order of the Minister published in the *Gazette*.

Ch. 33. No. 4

General power of Minister

10. The Minister may, in order to give full effect to the provisions of this Act, take any action or issue any order not specifically herein provided for in relation to any agreement for a loan or guarantee save that any such action or order shall not be inconsistent with the provisions of this Act or the terms and conditions of any loan raised or guarantee given hereunder.

Minister to inform Parliament of securities issued

11. (1) Where any securities are issued for the raising of any loan under this Act, the Minister shall lay before Parliament all reports and other details relating to the terms and conditions of such loan as soon as practicable after such issue and in any event not later than thirty days after such issue.

(2) Where within any part of the period specified in subsection (1) Parliament is not sitting, the Minister shall lay the reports and other details within thirty days of the commencement of the next sitting of Parliament.

Ch. 34. No. 1 not to apply

12. The General Loan and Stock Ordinance shall not apply to securities issued under this Act.

Passed in the House of Representatives this 17th day of August, 1979.

J. E. CARTER
Clerk of the House

Passed in the Senate this 28th day of August, 1979.

R. L. GRIFFITH
Clerk of the Senate

GOVERNMENT PRINTERY, TRINIDAD, TRINIDAD AND TOBAGO—1979