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Fourth Session Fourth Parliament Republic of Trinidad and Tobago

REPUBLIC OF TRINIDAD AND TOBAGO

# Act No. 14 of 1995

[L.S.]

AN ACT to empower the Minister of Finance to borrow money by the issue of Treasury Notes, to declare the conditions applicable to such borrowings and to make consequential amendments to related Acts.

*[Assented to 18th July, 1995]*

ENACTED by the Parliament of Trinidad and Tobago as follows: Enactment

**1.** This Act may be cited as the Treasury Notes Act, 1995. Short title

Interpretation

**2.** In this Act—

"Central Bank" means the Central Bank of Trinidad and Tobago established under the Central Bank Act;

Chap. 79:02

"financial institution" means a company licensed under the Financial Institutions Act, 1993;

Act No. 18 of 1993

"Fiscal Agent" means—

*(a)* the Central Bank;

*(b)* an entity designated a Fiscal Agent by the Minister under section 6;

"Minister" means the Minister to whom responsibility for finance is assigned;

"Note" means a Treasury Note issued under this Act.

Issue of Treasury Notes

**3.** (1) For the purposes of promoting monetary credit and exchange conditions most favourable to the economy of Trinidad and Tobago, the Minister on the written advice of the Governor of the Central Bank may borrow money in Trinidad and Tobago—

*(a)* in such sum or sums not exceeding in the aggregate one thousand million Trinidad and Tobago dollars; and

*(b)* such further sum or sums as may be specified by resolution of Parliament,

or the equivalent thereof in any foreign currency or currencies, by the issue of Notes.

(2) The Minister may borrow further sums for the purpose of paying off at maturity Notes issued under subsection (1) by further issue of Notes.

(3) For the purpose of determining whether any borrowing in a foreign currency is within the limits prescribed in or pursuant to subsection (1) or (2), the Trinidad and Tobago dollar equivalent of such a borrowing shall be computed at a rate of exchange determined by the Central Bank based on prevailing market rates and effective on the date of the issue of the Notes.

(4) Notes issued under this Act are transferable.

Amounts of Notes and times of payment

**4.** (1) Every Note issued under this Act shall be—

*(a)* for the sum of one thousand dollars or a multiple of one thousand dollars or the equivalent thereof in any foreign currency; and

*(b)* subject to the payment of principal and interest at such time or times as the Minister shall, before the issue of the Note, fix and determine.

(2) Notwithstanding subsection (1)*(b)*, principal shall be paid not later than five years from the date of issue of the Note.

Monies raised form part of Consolidated Fund

**5.** (1) All monies raised by the issue of Notes shall be paid into the Exchequer Account and shall form part of the Consolidated Fund.

(2) The principal and interest of all Notes issued under this Act are hereby charged on the Consolidated Fund.

Designation of certain Fiscal Agents

**6.** The Minister may designate a financial institution, a Fiscal Agent.

Fiscal Agent may sell Notes

**7.** A Fiscal Agent may sell Notes.

Duties of Fiscal Agents

**8.** (1) Every Fiscal Agent shall keep a Register of holders of Notes.

(2) Every Fiscal Agent thereunto authorised shall promptly pay—

*(a)* the interest on a Note when due;

*(b)* the principal sum at maturity, in the currency of issue of the Note.

(3) The interest and principal sum shall be deemed to be duly paid under subsection (2) where the relevant amount is credited to the account of the holder of the Note at the financial institution specified by the holder.

Exemption from stamp duty

**9.** Notes issued under this Act are exempt from stamp duty.

Functions of the Minister

**10.** (1) The Minister shall, on the written advice of the Governor of the Central Bank, determine—

*(a)* the form, issue and recording of Notes;

*(b)* the currency of issue;

*(c)* the denomination of Notes;

*(d)* the method of holding Notes;

*(e)* the rate and payment of interest;

*(f)* the method of payment of interest and principal;

*(g)* the dates of maturity of Notes.

(2) The Minister may delegate to the Central Bank his functions under subsection (1).

Authority to borrow

**11.** The authority to borrow conferred on the Minister by this Act is in addition to the authority to borrow conferred upon him by any other written law.

Amendments

**12.** The enactments specified in the first column of the Schedule are amended in the manner specified in the second column thereof:

SCHEDULE

(Section 12)

| *Enactment* | *Extent of Amendment* |
|---|---|
| Treasury Bills Act, Chap. 71:40 | A. Insert after section 1, the following section: |
| | "Interpretation — 1A. In this Act— |
| | "Central Bank" means the Central Bank of Trinidad and Tobago established under the Central Bank Act; (Chap. 79:02) |
| | "financial institution" means a financial institution licensed under the Financial Institutions Act, 1993.". (Act No. 18 of 1993) |

SCHEDULE—CONTINUED

(Section 12)

| *Enactment* | *Extent of Amendment* |
|---|---|
| | B. Repeal section 2 and substitute the following section:<br>" 2. (1) The Minister may borrow in Trinidad and Tobago—<br>*(a)* such sum or sums not exceeding in the aggregate, two thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies; and<br>*(b)* such further sum or sums as may be specified by resolution of Parliament, or the equivalent thereof in any foreign currency or currencies, by the issue of Treasury Bills.<br>(2) The Minister may borrow further sums for the purpose of paying off at maturity, Treasury Bills issued under subsection (1), by further issue of Treasury Bills.<br>(3) For the purpose of determining whether any borrowing in a foreign currency is within the limits prescribed in or pursuant to subsection (1) or (2), the Trinidad and Tobago dollar equivalent of such borrowing shall be computed at a rate of exchange determined by the Central Bank based on prevailing market rates and effective on the date of the issue of the Treasury Bills.<br>(4) Treasury Bills shall be issued in such manner and in such form and at such rate of interest as the Minister may deem fit.". |

SCHEDULE—CONTINUED

(Section 12)

| *Enactment* | *Extent of Amendment* |
|---|---|
| | C. Insert after section 6 the following sections: |
| "Fiscal Agent | 7. (1) A Fiscal Agent— *(a)* may sell Treasury Bills; and *(b)* shall keep a Register of holders of Treasury Bills. |
| | (2) A Fiscal Agent thereunto authorised shall promptly pay a Treasury Bill at par value when due in the currency of issue of the Treasury Bill. |
| | (3) A Treasury Bill shall be deemed to be duly paid under subsection (2) where the relevant sum is credited to the account of the holder at the financial institution specified by him. |
| | (4) in this section, "Fiscal Agent" means— *(a)* the Central Bank; *(b)* a financial institution designated by the Minister.". |

SCHEDULE—CONTINUED

(Section 12)

| *Enactment* | *Extent of Amendment* |
|---|---|
| | Minister may delegate functions — 8. The Minister may delegate to the Central Bank his functions under section 2(4). |
| Government Savings Bonds Act, Chap. 71:41 | A. In section 2, insert in the appropriate alphabetical positions, the following definitions:<br>"Central Bank" means the Central Bank of Trinidad and Tobago established under the Central Bank Act; (Chap. 79:02)<br>"financial institution" means a financial institution licensed under the Financial Institutions Act, 1993; (Act No. 18 of 1993)<br>"Fiscal Agent" means—<br>*(a)* the Central Bank;<br>*(b)* a financial institution designated by the Minister.<br><br>B. In section 6 insert after subsection (2), the following subsection:<br>" (2A) A bond shall be deemed to be duly encashed and the interest thereon to be duly paid where the relevant sum is credited to the account of the holder at the financial institution specified by him.".<br><br>C. Insert after section 6 the following sections:<br>"Fiscal Agent — 6A. (1) A Fiscal Agent—<br>*(a)* may sell bonds; and<br>*(b)* shall keep a Register of holders of bonds. |

SCHEDULE—CONTINUED

(Section 12)

| *Enactment* | *Extent of Amendment* |
|---|---|
| | (2) A Fiscal Agent thereunto authorised shall promptly pay—<br>*(a)* the interest on a bond when due;<br>*(b)* the principal sum at maturity.<br>(3) A bond shall be deemed to be duly encashed and the interest thereon to be duly paid where the relevant sum is credited to the account of the holder at the financial institution specified by him.". |
| | D. The National Tax Free Savings Bonds Regulations are amended by repealing Regulation 3. |
| Development Loans Act, Chap. 71:04 | A. In section 2, the definition "Fiscal Agent" is repeal and the following definition substituted:<br>"Fiscal Agent" means—<br>*(a)* the Central Bank of Trinidad and Tobago established under the Central Bank Act; (Chap. 79:02)<br>*(b)* a financial institution licensed under the Financial Institutions Act, 1993, designated by the Minister; (Act No. 18 of 1993)<br>*(c)* a domestic or foreign corporation or company designated by the Minister;<br>*(d)* a foreign bank designated by the Minister.". |

SCHEDULE—CONTINUED

(Section 12)

| *Enactment* | *Extent of Amendment* |
|---|---|
| | B. In section 7, insert after subsection (1) the following subsection: "(1A) The principal of and interest and any redemption premium on a bond shall be deemed to be duly paid where the relevant sum is credited to the account of the holder at the financial institution specified by him.". |
| | C. In section 8, delete the words "or Agents" and substitute the words "to sell bonds," and insert after the words "equal value", the words "to encash any bond". |

Passed in the Senate this 20th day of June, 1995.

N. COX
*Clerk of the Senate*

Passed in the House of Representatives this 7th day of July, 1995.

J. SAMPSON
*Clerk of the House*

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