

DEVELOPMENT LOANS ACT

CHAPTER 71:04

Act

19 of 1964

Amended by

17 of 1965

14 of 1969

7 of 1990

29 of 1994

14 of 1995

Current Authorised Pages

<i>Pages (inclusive)</i>	<i>Authorised by L.R.O.</i>
1-10	..

LAWS OF TRINIDAD AND TOBAGO

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2

Chap. 71:04

Development Loans

Index of Subsidiary Legislation

	<i>Page</i>
Resolutions [made under section 3(1)]	9
Development Loans (Citicorp Merchant Bank Ltd.) (TT \$200M–TT \$300M Bond Issue) Order (LN 48/1997)	10

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CHAPTER 71:04

DEVELOPMENT LOANS ACT

ARRANGEMENT OF SECTIONS

SECTION

1. Short title.
 2. Interpretation.
 3. Government authorised to raise loans externally or internally to finance general development.
 4. Minister enabled to enter into agreements and to determine form, etc., of bonds.
 5. Nature, form, etc., of bonds.
 6. Manner and dates of redemption of bonds.
 7. Principal, interest and redemption premium on bonds payable free from taxes, etc.
 8. Minister enabled to authorise Fiscal Agent to make payments, etc., on bonds.
 9. Minister authorised to execute and issue bonds and to delegate power to issue bonds.
 10. General powers of Minister.
 11. Bonds not subject to General Loan and Stock Act or General Local Loan Act.
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CHAPTER 71:04

DEVELOPMENT LOANS ACT

19 of 1964. **An Act to authorise the Government of Trinidad and Tobago to borrow money externally or internally by the issue of bonds for the general development of Trinidad and Tobago.**

Commencement. [28TH JULY 1964]

Short title. **1.** This Act may be cited as the Development Loans Act.

Interpretation. **2.** In this Act—

[7 of 1990
29 of 1994
14 of 1995].

“bonds” means the bonds authorised to be issued under this Act;

“borrowings” includes such sums together with interest thereon and other proven charges owed or payable by the Government under or in pursuance of a contract it has entered into with any contractor;

“contractor” means a person who has performed work, supplied goods or rendered services, in pursuance of a contract with the Government, or who is under an obligation to do so in pursuance of such a contract such work, goods or services being for the general development of Trinidad and Tobago;

“Fiscal Agent” means—

Ch. 79:02. (a) the Central Bank of Trinidad and Tobago established under the Central Bank Act;

Ch. 79:09. (b) a financial institution licensed under the Financial Institutions Act designated by the Minister;

(c) a domestic or foreign corporation or company designated by the Minister;

(d) a foreign bank designated by the Minister;

“general development” includes the development of statutory authorities, State enterprises and the University of the West Indies.

3. (1) For the purpose of—

- (a) financing general development in Trinidad and Tobago;
- (b) repayment of borrowings effected for such general development; or
- (c) repayment of borrowings effected for general development—
 - (i) by a statutory authority within the meaning of the Statutory Authorities Act;
 - (ii) by an enterprise that is controlled by or on behalf of the State; or
 - (iii) the University of the West Indies,

Government authorised to raise loans externally or internally to finance general development. [7 of 1990, 29 of 1994].

Ch. 24:01.

the Government is hereby authorised from time to time to borrow money externally or internally in a sum or sums not exceeding in the aggregate seven thousand, five hundred million dollars in the currency of Trinidad and Tobago and thereafter such sum in such currency as may from time to time be specified by resolution passed by the Senate and the House of Representatives.

(2) Subject to subsection (3) all borrowings under this Act, may be effected and secured or repaid by the issue or sale of bonds which shall specify the rate of interest payable thereon, and the place and currency of payment of principal and interest.

(3) Where the borrowing—

- (a) arises under or in pursuance of a contract between the Government and a contractor, the issue or sale of bonds in settlement either in whole or in part shall be at the option of the contractor; or
- (b) is effected for the repayment of borrowings under subsection (1)(c), the issue or sale of bonds in settlement either in whole or in part shall be at the option of the creditor.

4. Subject to this Act, the Minister—

- (a) may enter into any agreement for the issue or sale of bonds upon such terms and conditions, and containing such covenants including the

Minister enabled to enter into agreements and to determine form, etc., of bonds. [77 of 1990].

currency in which the borrowings shall be made, the dates on which repayments shall be made, the rate of interest payable, the place of payment of principal and interest moneys, and any premium payable on redemption, as the Minister shall determine; and

- (b) shall determine the form and denominations of the bonds and the terms, conditions and covenants to be included therein.

Nature, form, etc., of bonds. [7 of 1990 29 of 1994].

5. (1) The bonds shall be direct, unconditional and general obligations of Trinidad and Tobago and the full faith and credit of Trinidad and Tobago shall be unconditionally pledged for the payment of the principal of and interest on the bonds and any premium, charge, assessment or other expense which may be incurred in connection with the issue or redemption thereof and the performance of all the covenants and obligations of Trinidad and Tobago under or with respect to the bonds.

(2) Where, however, bonds are issued or sold—

- (a) in pursuance of section 3(3)(a), the bonds shall be negotiable bearer bonds; or
(b) in pursuance of section 3(3)(b), the bonds shall be transferable.

(3) The principal of and the interest on the bonds and any sinking fund payments, premium, charge, assessment or other expense which may be incurred in connection with the issue or redemption of the bonds shall be charged upon and payable out of the revenues and assets of Trinidad and Tobago and shall rank *pari passu* with all other present and future loan indebtedness of Trinidad and Tobago.

Manner and dates of redemption of bonds. [14 of 1969].

6. (1) The bonds may be redeemed by the establishment of such sinking fund or sinking funds or in such manner and at such times and shall mature at such date or dates not later than fifty years and after the date of issue as shall be determined by the Minister.

(2) Where a sinking fund is established for the purpose of the redemption of bonds, such moneys as are necessary to

maintain and service such fund shall be charged upon the Consolidated Fund, and may be withdrawn from the Consolidated Fund in such amounts and at such times as may be specified by resolution passed by the Senate and the House of Representatives.

7. (1) The principal of and interest and any redemption premium on the bonds or any of the bonds may, at the discretion of the Minister be payable free from any taxes, duties, charges and assessments now or hereafter imposed by or within Trinidad and Tobago and shall be exempt from attachment, execution or seizure by or for Trinidad and Tobago.

Principal, interest and redemption premium on bonds payable free from taxes, etc.
[14 of 1995].

(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.

(2) The provisions of the Stamp Duty Act shall not apply to bonds issued under this Act or to any agreement, instrument or document relating thereto.

Ch. 76:01.

8. (1) The Minister may, upon such terms and conditions as he may deem fit, authorise a Fiscal Agent to sell bonds, to make payments on the bonds, to exchange for any bond delivered to it by a bond holder or any bond which is mutilated, destroyed, stolen or lost, a bond or bonds of equal value to encash any bond and otherwise to act in connection with the service of the bonds.

Minister enabled to authorise Fiscal Agent to make payments, etc., on bonds.
[7 of 1990
14 of 1995].

(2) Where Bonds are issued or sold in the circumstances referred to in section 3(3) the Minister shall not authorise the Fiscal Agent to make payment on such Bonds prior to their date of maturity.

9. (1) The Minister is hereby authorised to issue for and on behalf of Trinidad and Tobago the bonds and to execute for and on behalf of Trinidad and Tobago any agreement for securing the repayment of any sum which Trinidad and Tobago may borrow under and by virtue of this Act and any other instrument or document in relation thereto, but the bonds may be issued on behalf of the Minister by any person designated in writing for that purpose by the Minister.

Minister authorised to execute and issue bonds and to delegate power to issue bonds.
[17 of 1965].

(2) Bonds issued under this Act may be authenticated in such manner as the Minister may in writing authorise.

General powers
of Minister.

10. The Minister may take any action or issue any order not specifically provided for herein in relation to any bonds or agreements made under this Act.

Bonds not
subject to
General Loan
and Stock Act
or General
Local Loan Act.
Ch. 71:01.
Ch. 71:02.

11. The provisions of the General Loan and Stock Act and of the General Local Loan Act shall not apply in relation to the bonds or otherwise securities issued under the authority of this Act.

SUBSIDIARY LEGISLATION

RESOLUTIONS

made under section 3(1)

By resolutions under section 3(1) published respectively in the statutory instruments specified below, Government has been authorised, for the purpose of financing general development in Trinidad and Tobago, from time to time to borrow money externally or internally in further sums not exceeding in each case the following maximum sums:

- (a) fifteen million dollars—GN 51/1966;
- (b) fifteen million dollars—GN 176/1968;
- (c) forty million dollars—GN 202/1971;
- (d) twenty-five million dollars—GN 28/1973;
- (e) thirty-five million dollars U.S. or the equivalent thereof in other currencies—GN 3/1976;
- (f) eighty million dollars in the currency of the United States of America —GN 140/1979;
- (g) one thousand million dollars—LN 104/1983;
- (h) two thousand million dollars—LN 36/1987;
- (i) three thousand million dollars—LN 97/1989;
- (j) five thousand million dollars—LN 228/1990;
- (k) two thousand five hundred million dollars—LN 15/2000;
- (l) three thousand million dollars—LN 27/2003.

[Subsidiary]

48/1997.

**DEVELOPMENT LOANS
(CITICORP MERCHANT BANK LTD.)
(TT\$200M–TT\$300M BOND ISSUE) ORDER**

made under section 7(1)

Preamble.
Ch. 71:04.

WHEREAS it is provided by section 4 of the Development Loans Act, (hereinafter called “the Act”) that the Minister may enter into any agreement for the sale of bonds upon such terms and conditions as the Minister may determine:

And whereas it is further provided by section 7(1) of the Act, that the principal of and interest and any redemption premium on the bonds or any of the bonds may, at the discretion of the Minister be payable free from any taxes, duties, charges and assessments imposed by or within Trinidad and Tobago:

Ch. 75:01.

And whereas it is also provided by section 50(1)(a) of the Income Tax Act, that there shall be levied and paid income tax referred to as withholding tax, on any distribution made to any person not resident in Trinidad and Tobago and any non-resident company:

And whereas the Republic of Trinidad and Tobago has awarded a mandate to Citicorp Merchant Bank Ltd. a Company having its offices at No.12 Queen’s Park East, Port-of-Spain, to arrange and fully underwrite a Bond Issue of TT \$ 200m–TT \$ 300m on behalf of the Republic of Trinidad and Tobago:

And whereas it may be necessary to make distributions to persons not resident in Trinidad and Tobago and non-resident companies:

Now, therefore, the Minister hereby orders as follows:

Short title.

1. This Order may be cited as the Development Loans (Citicorp Merchant Bank Ltd.) (TT \$ 200m–TT \$ 300m Bond Issue) Order.

Exemption.

2. All payments of interest on the bonds or any of the bonds made or paid to persons non-resident in Trinidad and Tobago or to non-resident companies are exempt from withholding tax payable in Trinidad and Tobago.