

GENERAL LOCAL LOAN ACT

CHAPTER 71:02

Act

29 of 1932

Amended by

30 of 1938

9 of 1951

19 of 1959

15 of 1960

Current Authorised Pages

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Note on Subsidiary Legislation

This Chapter contains no subsidiary legislation.

Note on Adaptation

Under paragraph 6 of the Second Schedule to the Law Revision Act (Ch. 3:03) the Commission amended certain references to public officers in this Chapter. The Minister's approval of the amendments was signified by LN 52/1980, but no marginal reference is made to this Notice where any such amendment is made in the text.

CHAPTER 71:02

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CHAPTER 71:02

GENERAL LOCAL LOAN ACT

1950 Ed.
Ch. 34 No. 2.
29 of 1932.

An Act to declare the terms and conditions applicable to local loans authorised to be raised by the Government of Trinidad and Tobago.

Commencement.

[7TH DECEMBER 1932]

Short title.

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

Scope.

2. This Act shall be applicable only to loans raised locally in Trinidad and Tobago.

Loans to be raised by debentures.

3. Whenever by an Act authority has been given to the Minister to raise any sum of money for the purposes mentioned in such Act, the Minister may, as he considers expedient, raise the sum by debentures issued under the provisions of this Act.

Loans to be a charge upon Consolidated Fund.

4. The principal moneys and interest represented by such debentures are hereby charged upon and shall be payable out of the Consolidated Fund.

Borrowing upon debentures. [9 of 1951].

5. Such debentures shall be issued in Trinidad and Tobago upon the best and most favourable terms that can be obtained and shall be authenticated in such manner as may from time to time be approved by the Minister.

Amount of each debenture. [19 of 1959].

6. Each debenture shall be for a sum of fifty dollars, one hundred dollars, five hundred dollars, two thousand five hundred dollars or five thousand dollars.

Debentures may be either fixed-date or drawing debentures.

7. 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; but 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 (the debentures being referred to below as fixed-date debentures); or
- (b) by annual drawings at par or at the option of the Minister by purchase in the market as provided below (the debentures being referred to below as drawing debentures).

8. To every debenture there shall be attached coupons for the payment of interest to become due in each half-year upon the principal represented by the debenture. The coupons shall be sufficient in number to provide for the payment of the interest, either during the whole period for which the debenture has to run, or for such limited periods as the Minister may determine from time to time, not exceeding in their totality the whole period for which the debenture has to run.

Interest coupons.

9. The debentures and the coupons shall be in such form as the Minister may direct or approve.

Form of debenture and coupons.

10. Every debenture and coupon, and the right to receive the principal and interest represented by them, shall be transferable by delivery.

Debentures and coupons transferable by delivery.

11. Every debenture shall, before being issued, be registered in a register book to be kept for that purpose at the office of the Comptroller of Accounts.

Register of debentures.

12. The interest upon the principal represented by each debenture shall run from the day named in the debenture, and shall be paid half-yearly on the days named in the debenture at the office of the Comptroller of Accounts.

Payment of interest.

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 debentures falls due, appropriate out of the Consolidated Fund a sum equal to one half-year's interest on the whole of the debentures issued, including any which may have been redeemed.

Mode of providing for payment of interest on and for redemption of debentures. [9 of 1951].

(2) The Minister shall, 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 Consolidated Fund 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. 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. [9 of 1951 15 of 1960].

14. (1) In the case of fixed-date debentures, so much of the moneys appropriated as mentioned above as shall not be required for the immediate payment of interest shall be placed at interest or invested by the appropriate officer in the purchase of such securities as the Minister may under subsection (2) approve as a sinking fund for the final extinction of the debt and the appropriate officer shall also place at interest or invest the accumulations of interest or 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 moneys for the time being represented by the debentures.

(2) The Minister may approve of any securities in which trustees in England may invest under any law in force from time to time.

(3) Investments in any of the securities approved by the Minister under subsection (2) may be made by the Crown Agents acting at the request and on behalf of the appropriate officer.

(4) Notwithstanding the provisions of subsection (1) if at any time the appropriate officer is satisfied that the value of the sinking fund will be sufficient with further accumulations of interest but without further payments of contributions to

enable the debentures to be redeemed out of proceeds of the sinking fund when the same falls due to be redeemed, the Minister may suspend further payment of contributions to the sinking fund, but such payments shall be recommenced if the Minister considers it necessary.

(5) All investments held by the Crown Agents at the commencement of the General Local Loan (Amendment) Ordinance 1960 (that is, 4th August 1960) as a sinking fund in respect of a loan raised locally in Trinidad and Tobago under or in accordance with this Act shall be deemed to have been made at the request and on behalf of the appropriate officer in accordance with section 14. 15 of 1960.

(6) In this section—

“appropriate officer” means such officer in the Ministry of Finance as the Minister may designate for the purpose;

“Minister” means the Minister responsible for Finance.

15. In the case of drawing debentures, so much of the moneys appropriated as above as shall not be required for the immediate payment of interest and the accumulations on them shall be held by the Comptroller of Accounts 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: Disposal of sinking fund when debentures are redeemed by purchase or by annual drawings. [19 of 1959].

(a) after the commencement of the contributions to the sinking fund in respect of any loan and subsequently so long 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 debentures to be redeemed; Appointment of day for drawing of debentures.

(b) if a day is appointed for drawing, the Comptroller of Accounts shall give, by advertisement in the *Gazette* and in at least one of the local newspapers Notice of time and place appointed for drawing.

circulating in Trinidad and Tobago, not less than fifteen days' previous notice, specifying the day on which, and the hour and place at which, the drawing will take place;

Mode of drawing.

(c) on the day and at the hour and place so specified the Permanent Secretary to the Minister of Finance and the Comptroller of Accounts 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 thinks 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;

Notice of debentures drawn for redemption.

(d) the Permanent Secretary to the Minister of Finance and the Comptroller of Accounts or other officers appointed as above shall thereupon declare the distinguishing numbers of the debentures drawn for redemption, and the Comptroller of Accounts shall, as soon as may be, by advertisement in the *Gazette* and at least one of the local newspapers circulating in Trinidad and Tobago specify those numbers and appoint a day not being later as to each debenture than the day on which the then current half-year's interest on them is payable, on which the principal moneys represented by the debentures so distinguished will be repaid;

Payment of drawn debentures.

(e) from and after the day so appointed the Comptroller of Accounts shall, at his office, pay on demand to the holders of the debentures drawn for repayment the principal moneys represented by those debentures, with all interest payable on them up to the appointed day.

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 moneys represented by them shall cease and determine, whether payment of the principal has been demanded or not.

Cesser of interest from day appointed for payment of principal.

17. Upon the repayment of the principal moneys represented by any debenture, such debenture with all the coupons thereunto belonging, shall be delivered up to the Comptroller of Accounts to be by him cancelled and retained.

Redeemed debentures to be cancelled.

Any drawing debenture redeemed by purchase shall in the same manner be cancelled and retained.

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.

Expenses of redemption to be borne by sinking fund.