

**GENERAL LOCAL LOAN
(MUNICIPAL CORPORATIONS) ACT**

CHAPTER 71:60

Act

7 of 1935

Amended by

30 of 1938

10 of 1951

21 of 1990

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 71:60

**GENERAL LOCAL LOAN
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CHAPTER 71:60
GENERAL LOCAL LOAN
(MUNICIPAL CORPORATIONS) ACT

An Act to declare the terms and conditions applicable to Local Loans authorised to be raised by Municipal Corporations. 1950 Ed.
Ch. 34 No. 3.
7 of 1935.

[9TH MAY 1935]

Commencement.

1. This Act may be cited as the General Local Loan (Municipal Corporations) Act. Short title.

2. This Act applies only to loans raised locally in Trinidad and Tobago by a Municipal Corporation within the meaning of the Municipal Corporations Act. Scope.
[21 of 1990].
Ch. 25:04.

3. Whenever by an Act authority is given to a Corporation (hereinafter referred to as the Corporation) to raise any sum of money for the purposes mentioned in that Act, the Corporation may from time to time, as it may consider expedient, raise such sum by debentures issued under the provisions of this Act. Loans to be raised by debentures.

4. The principal moneys and interest represented by the debentures are hereby charged upon and shall be payable out of the general revenues and property of the Corporation, including any lands which may be specifically placed at the disposal of the Corporation under the provisions of any Act; but this section shall not confer any powers of alienating such lands other than are conferred by that Act. Loans to be a charge on revenue of Corporation.

5. The debentures shall be issued in Trinidad and Tobago upon the best and most favourable terms that can be obtained and shall be under the Seal of the Corporation and shall be authenticated in such manner as may from time to time be approved by a resolution passed by the Council of the Corporation provided that the approval of the Minister of the terms of issue is first obtained. Borrowing upon debentures.
[10 of 1951].

6. Each debenture may be for a sum of one hundred dollars, two hundred and fifty dollars, five hundred dollars, two thousand five hundred dollars or five thousand dollars. Amount of each debenture.

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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 Corporation may reserve the option to redeem the debentures prior to that date on such conditions as may be declared at the time of issue (such debentures being hereinafter referred to as fixed-date debentures); or
- (b) by annual drawings at par or at the option of the Corporation by purchase in the market as provided below (such debentures being hereinafter referred to as drawing debentures).

Interest coupons.

8. (1) There shall be attached to every debenture coupons for the payment of interest to become due in each half-year upon the principal represented by the debenture.

(2) 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 Corporation may determine from time to time, not exceeding in their totality the whole period for which the debenture has to run.

Form of debentures and coupons.

9. The debentures and the coupons shall be in such form as the Corporation, with the approval of the Minister, may direct.

Debentures and coupons transferable by delivery.

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

Register of debentures.

11. Every debenture shall, before being issued, be registered in the register book to be kept for that purpose at the office of the Chief Executive Officer and shall be numbered in regular numerical progression beginning with the number one.

New debentures may be issued on proof that the original is lost or destroyed and overdue money may be paid.

12. (1) Upon proof to the satisfaction of the Corporation that any debenture issued under this Act is by accident lost or destroyed before the debenture is paid off, the Corporation may,

if the amount of the debenture is ascertained, issue a new debenture corresponding with the debenture so lost or destroyed; or if any debenture is overdue, the Corporation may cause the money due on it to be paid off.

(2) Before any debenture is renewed, or payment as mentioned above is made, the Corporation shall cause notice to be published for four consecutive weeks in the *Gazette* and in at least one of the local newspapers circulating in Trinidad and Tobago of the particulars of the debenture alleged to be lost or destroyed, and shall take good security to be indemnified against any loss which might otherwise be incurred in case any debenture stated to be lost or destroyed shall at any time afterwards be presented for payment, or interest should be claimed as due thereon.

Lost debentures be first advertised and security by indemnity given.

(3) The Corporation, before issuing any new debenture or making any payment as mentioned above, may require the person applying for the debenture or payment to deposit with the Corporation such sum as the Corporation may think reasonable to pay for the expense of advertisement in the *Gazette* and in a local newspaper and for the new debenture and for any other expense incidental to the issuing of the new debenture, or the making of such payment.

Person applying for renewed debenture to pay expense incidental thereto.

(4) All expenses incurred by the Corporation incidental to the application for and issue of any such new debenture shall be a debt due to the Corporation and shall be met in the first place from the deposit made as provided above; any balance or the whole of the deposit, if no part is applied as mentioned above, shall be repaid to the depositor upon the issue of the new debenture.

Expenses to be deducted from deposit made.

(5) Any such new debenture and the coupons attached thereto shall be stamped with the word "Duplicate".

Duplicate debenture.

13. 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 Chief Executive Officer of the Corporation.

Payment of interest.

Mode for providing for payment of interest on and for redemption of debentures. [10 of 1951].

14. (1) So long as any of the debentures remain outstanding the Corporation shall, in each half-year ending with the day on which the interest on the debentures falls due, appropriate out of the general revenues and assets of the Corporation a sum equal to one half-year's interest on the whole of the debentures issued including any which may have been redeemed.

(2) The Corporation 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 is taken and in each subsequent half-year, appropriate out of the revenues and assets of the Corporation, for the formation of a sinking fund, an additional sum equal to one-half of the annual contribution to be decided upon by the Corporation with the previous sanction of the Minister on the issue of the loan. However, the Minister may direct that the contribution shall be increased to such amount as may, in his opinion, be necessary to ensure the repayment of debentures at the due date. The contribution shall be in respect of the total nominal amount of all the debentures, 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. [10 of 1951]. Ch. 8 No. 3. (1950 Ed.).

15. (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 Corporation in any investments authorised by the Trustee Ordinance, or in the purchase of such securities as may be approved by the Minister for the formation of a sinking fund for the final extinction of the debt, and the Corporation shall also place at interest or similarly invest the accumulations of interest or the dividends, interest or produce of the investments and may from time to time with the approval of the Minister change any such investments, and shall hold the fund in trust for the repayment of the principal moneys for the time being represented by the debentures.

(2) If at any time the Corporation is satisfied that the value of the fund will be sufficient with further accumulations of interest but without further payments of contributions to enable the debentures to be redeemed out of the proceeds of the sinking fund when the same falls due, the Corporation may, with the approval of the Minister, suspend further payments of contributions to the sinking fund.

Cesser of sinking fund contributions.

(3) Contributions to the sinking fund shall be recommenced if the Corporation at any time informs the Minister that it is necessary.

16. 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 Corporation 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.

(a) after the commencement of the contribution to the sinking fund in respect of any loan, and subsequently, so long as any of the debentures remain outstanding, the Corporation 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 Corporation shall give, by advertisement in the *Gazette* and in at least one of the local newspapers 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;

Notice of time and place appointed for drawing.

(c) on the day and at the hour and place so specified the Corporation shall hold a public meeting of the Council of the Corporation, at which the

Mode of drawing.

holder of any debenture may, if he thinks fit, be present and shall then in the presence of the 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 Chief Executive Officer of the Corporation shall thereupon declare the distinguishing numbers of the debentures drawn for redemption, and the Corporation shall, as soon as may be, by advertisement in the *Gazette* and in 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 thereon 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 Chief Executive Officer of the Corporation 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 thereon up to the appointed day.

Cesser of interest from day appointed for payment of principal.

17. From and after the day appointed for the repayment of any debenture, whether a fixed-date debenture or a drawing debenture, all interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal has been demanded or not.

Redeemed debentures to be cancelled.

18. 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 Chief Executive Officer of the Corporation to be cancelled by him and retained. Any drawing debenture redeemed by purchase shall in the same manner be cancelled and retained.

19. (1) If at any time any interest due on any debenture remains unpaid for three months after demand in writing has been lodged with the Chief Executive Officer of the Corporation by the person entitled to it or his duly authorised representative, application may be made by such person or his representative to the Court for the appointment of a receiver of the property and revenues on which the debenture is secured.

Default in payment of interest.

(2) On the hearing of the application the Court may make such order and give such directions as under the circumstances it considers expedient for the raising and paying of the moneys due. In particular, the Court may order and declare that a rate or rates of such amount or amounts as it shall fix be levied upon all rateable property within the municipality and the rate so ordered shall have the same incidence as any rate imposed by the Corporation, and may be enforced in like manner, and the proceeds paid into Court or otherwise as the Court directs.

20. (1) If at any time default is made in the repayment of any debenture after a period of one month from the date on which the debenture becomes repayable, the same proceedings as in section 19(1) may be instituted on the application of the person to whom the repayment is due or his duly authorised representative.

Default in repayment of loan.

(2) The Court, on such application, in addition to any order which it is empowered to make under section 19(2) may if it thinks fit order the sale of any property on which the debenture may be secured, subject always to the provisions of any Act as regards the alienation of any lands vested in the Corporation under that Act.

21. 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.

22. The debentures issued under this Act and instruments for sale or transfer of the debentures shall be exempt from stamp duty.

Exemption from stamp duty.

Submission of annual estimates of revenue and expenditure.

23. Any Corporation which is not required by any Act to submit its annual estimates of revenue and expenditure for the approval of the Minister shall, so long as any loan issued under this Act is outstanding, submit for the approval of the Minister a true estimate of the income receivable and the expenditure to be incurred during each financial year and no further sums shall be expended in any subsequent year than as provided in such approved estimates, unless the same have been included in a supplemental estimate of expenditure to be submitted from time to time for approval to the Minister. However, the Corporation may at any time during the year authorise a saving under any head or subhead of recurrent expenditure in such estimates to be applied to meet an excess under another head or subhead of recurrent expenditure.