
3rd Session Second Parliament Trinidad and Tobago
18 Elizabeth II



TRINIDAD AND TOBAGO

Act No. 21 of 1969.

[L.S.]

AN ACT to provide for the guarantee by the Government of Trinidad and Tobago of loans by Lending Agencies to Companies in which the Government holds at least 50 per cent of the ordinary share capital.

[Assented to 1st July, 1969]

BE IT ENACTED by the Queen's Most Excellent Majesty, ^{Enactment}
by and with the advice and consent of the Senate and

House of Representatives of Trinidad and Tobago, and by the authority of the same, as follows:—

Short title

1. This Act may be cited as Guarantee of Loans (Companies) Act, 1969.

Interpretation

2. In this Act—

“Company” means any Company incorporated in Trinidad and Tobago in which the Government holds at least 50 per cent of the ordinary share capital thereof;

“Lending Agency” means an International Financial Organization or any bank, insurance company or other source of financing;

“Minister” means the member of the Cabinet to whom responsibility for Finance is assigned;

“ordinary share capital” means all the issued share capital by whatever name called, other than capital the holders whereof have a right to a dividend at a fixed rate, but have no other rights to share in the profit of the company.

Power of Minister to guarantee loans by Lending Agencies to Public Companies

3. (1) Subject to this Act, the Government may in such manner and on such terms and subject to such conditions as may be agreed between it and a Lending Agency—

(a) guarantee the discharge by a Company of its obligations under any agreement which may be entered into by the Company with a Lending Agency in respect of any borrowing by that Company that is authorized by the Government;

(b) assume such other obligation as may be agreed between the Government and a Lending Agency in relation to or pursuant to any such agreement.

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

4. (1) Guarantees in respect of any borrowing by Companies authorized by the Government under the provisions of section 3 (1) shall not, in the aggregate, exceed the sum of fifty million dollars or such greater amount as may from time to time be specified by resolution of the Senate and House of Representatives.

Limit on amount of guarantees

(2) Where any sum is issued for fulfilling such a guarantee, the Minister shall, as soon as possible after the end of each financial year beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before Parliament a statement relating to that sum.

5. So long as the Government is liable under any guarantee or other undertaking given in exercise of the powers conferred by section 3 (1) in respect of any borrowing by a Company, the Company shall not, without the consent of the Minister, exercise any other power to borrow possessed by it except any power to borrow by way of overdraft or otherwise in the ordinary course of business for a period not exceeding twelve months.

Restriction on borrowing powers of Company so far as guarantee outstanding

6. (1) Where in the opinion of the Minister there is reasonable cause to believe—

Powers exercisable by Minister in event or prospect of default by Company

(a) that a Company is likely to fail or be unable to discharge any of its obligations under any agreement concluded by it with the Lending Agency in respect of any borrowing; and

(b) that the Government is or may become liable under any guarantee or other undertaking given by it in respect of such obligation,

the Minister may, notwithstanding any rule of law or agreement to the contrary, give, or authorize any other person to give, such directions in writing to the Company as may from time to time be necessary or desirable to ensure that such arrangements are made by the Company as will enable it to discharge its obligations under such agreement, or under this Act, and the Company shall comply with such directions.

(2) Where any sum becomes payable by the Government pursuant to a guarantee or undertaking given in exercise of the powers conferred by section 3, that sum

shall be charged on the Consolidated Fund and the Minister shall direct payment to issue out of the Consolidated Fund.

Company to
repay to
Government
sums paid
under
guarantee

7. Where any sum is paid out of the Consolidated Fund in respect of any liability incurred by the Government under a guarantee or other undertaking given in exercise of the powers conferred by section 3 (1) in respect of any borrowing by a Company, the Company shall repay such sum (together with interest thereon at such rate as the Minister may prescribe) to the Consolidated Fund in such manner and at such time as the Minister may direct.

Regulations

8. The Minister may make regulations for the purpose of giving effect to the provisions of this Act, and in particular for prescribing anything by this Act required to be prescribed.

Passed in the House of Representatives this 30th day of June, 1969.

G. R. LATOUR

Clerk of the House

Passed in the Senate this 1st day of July, 1969.

J. E. CARTER

Clerk of the Senate