

Fourth Session Tenth Parliament Republic of
Trinidad and Tobago



REPUBLIC OF TRINIDAD AND TOBAGO

Act No. 7 of 2014

[L.S.]

AN ACT to provide for the purchase by Government of certain rights belonging to shareholders and depositors of the Hindu Credit Union Co-operative Society Limited; to empower the Minister with responsibility for finance to make payments and issue bonds for the purchase of those rights and for related matters

[Assented to 7th August, 2014]

Preamble

WHEREAS it is enacted by section 13(1) of the Constitution of the Republic of Trinidad and Tobago (“the Constitution”) that an Act of Parliament to which that section applies may expressly declare that it shall have effect even though inconsistent with sections 4 and 5 of the Constitution and, if any Act does so declare, it shall have effect accordingly:

And whereas it is provided in section 13(2) of the Constitution that an Act of Parliament to which that section applies is one the Bill for which has been passed by both Houses of Parliament and at the final vote thereon in each House has been supported by the votes of not less than three-fifths of all the members of that House:

And whereas it is necessary and expedient that the provisions of this Act shall have effect even though inconsistent with sections 4 and 5 of the Constitution:

And whereas the Hindu Credit Union Co-operative Society Limited (in liquidation) (hereinafter referred to as “HCU”) is a credit union and co-operative society registered under the Co-operative Societies Act, Chap. 81:03 (hereinafter referred to as “the Act”):

And whereas by virtue of the powers vested in him under section 58 of the Act, the Commissioner for Co-operative Development on 9th October, 2008 made an Order directing that HCU be wound up on 10th October, 2008:

And whereas on the 8th day of September, 2010, the Minister of Finance announced, *inter alia*, his intention to offer relief to the shareholders and depositors of HCU whose principal balances exceeded seventy-five thousand dollars:

And whereas it is expedient that the said offer be effected by way of the purchase of the rights, benefits, titles, estates and interests of shareholders and depositors of HCU who are not related parties, by the Government by the issue of bonds over a twenty-year period at zero interest and structured in such a manner to accommodate trading on the secondary markets:

Enactment

ENACTED by the Parliament of Trinidad and Tobago as follows:

1. This Act may be cited as the Purchase of Certain Rights (HCU) Act, 2014. Short title

2. This Act shall have effect even though inconsistent with sections 4 and 5 of the Constitution. Act inconsistent with the Constitution

3. In this Act— Interpretation

“bond” means a non-interest bearing, transferable bond;

“Bye-Laws” means the bye-laws of HCU, having Registration Number CU-154-85 and duly approved by the Commissioner for Co-operative Development on the 29th day of January, 2004;

“Central Bank” means the Central Bank of Trinidad and Tobago established under the Central Bank Act; Chap. 79:02

“depositor” means a person who is the holder of a normal or special deposit in HCU issued in accordance with the Bye-Laws, or in any case where the person has assigned any benefit, right, title, estate or interest in a normal or special deposit to a third party, prior to acceptance of the offer of the Government to purchase the same, such third party;

“investment” means—

(a) shares issued by HCU to its members; and

(b) normal and special deposits made to HCU,

in accordance with the Bye-Laws;

“Minister” means the Minister to whom the responsibility for finance is assigned;

“Officer” has the meaning assigned to it under section 2 of the Co-operative Societies Act;

“principal balance” means the capital sum (including consideration of any judgments, awards or orders made by the Commissioner pursuant to Part VII of the

Act) payable by HCU in the name of a shareholder or depositor on account of investments as at 10th October, 2008, minus any outstanding loans or other liabilities due to HCU from the shareholder or depositor;

“related party” means any person or entity who, on October 10, 2008 and at any time during the twelve months immediately preceding October 10, 2008, was—

- (a) a director of the board or Officer of the HCU;
- (b) a director or officer of any company in which the HCU owns or owned the majority shareholding, such officer having the meaning assigned under section 2 of the Financial Institutions Act;
- (c) the nominee or legal personal representative of persons referred in paragraphs (a) and (b) above;
- (d) under the control of a person who on October 10, 2008 or any time during the twelve months immediately preceding October 10, 2008, was a director of the board or an officer of the HCU, including the president, vice-president, secretary, assistant secretary, treasurer, assistant treasurer, chairman or member of the supervisory, credit loans, education or other committees of the HCU or other individual designated as an Officer by the Act or the Bye-Laws or any other corporate document of the HCU;
- (e) under the control of a person who, on October 10, 2008 or at any time during the twelve months

immediately preceding October 10, 2008, was a director of the Board or an officer of a company in which the HCU owns or owned the majority shareholding, such officer having the meaning assigned under section 2 of the Financial Institutions Act;

- (f) the son, daughter, brother, sister, mother, father, spouse or cohabitant (as defined by the Cohabital Relationships Act, Chap. 45:55) of a person who, on October 10, 2008 or at any time during the twelve months immediately preceding October 10, 2008, was a director of the board or an Officer of the HCU, including the president, vice-president, secretary, assistant secretary, treasurer, assistant treasurer, chairman or member of the supervisory, credit loans, education or other committees of the HCU or other individual designated as an Officer by the Act or the Bye-Laws or any other corporate document of the HCU;
- (g) the son, daughter, brother, sister, mother, father, spouse or cohabitant of a person who, on October 10, 2008 or at any time during the twelve months immediately preceding October 10, 2008, was a director of the Board or an officer of a company in which the HCU owns or owned the majority shareholding, such officer having the meaning assigned under section 2 of the Financial Institutions Act; or

(h) a company in which the HCU owns or owned the majority shareholding;

“shareholder” means a person who is a registered shareholder of HCU, either jointly or in his own name, and in the case of a deceased registered shareholder, his nominee or legal personal representative who is entitled to benefit in accordance with the Bye-Laws.

Minister authorised to sign agreements, make payments and issue bonds

4. (1) The Minister may make payments in any form whatsoever including the issue of bonds for the purpose of purchasing the rights, benefits, titles, estates or interests belonging to a shareholder or depositor of HCU who is not a related party.

(2) In the performance of his power under subsection (1), the Minister may—

(a) sign agreements on behalf of the Government; and

(b) issue bonds referred to in subsection (1)—

(i) of varying maturities from one to twenty years; and

(ii) not exceeding in the aggregate four hundred million dollars,

and may thereafter issue additional bonds as may be specified by resolution of the House of Representatives.

Charge on the Consolidated Fund

5. The payment of all moneys under this Act shall be a charge on the Consolidated Fund.

Bonds deemed registered
No. 17 of 2012

6. The bonds issued under this Act are deemed to have been duly registered in accordance with section 62 of the Securities Act, 2012.

Fiscal Agent

7. (1) The Minister may, by Order, designate—

(a) the Central Bank; or

(b) a financial institution,

as the Fiscal Agent under this Act.

(2) The Fiscal Agent shall—

(a) establish and maintain a register of the holders of bonds; and

- (b) promptly pay, on behalf of Government, the principal sum at maturity of a bond.

8. Notwithstanding the provisions of the Stamp Duty Act, bonds issued under this Act are exempt from stamp duty. Exemption from stamp duty Chap. 76:01

9. (1) The Minister may make Regulations for carrying out the purpose and provisions of this Act, including the—

- (a) denomination of bonds;
(b) transfer of bonds;
(c) form, issue and recording of bonds; and
(d) method of holding bonds.

(2) The Minister shall cause Regulations made under subsection (1) to be laid in Parliament.

Passed in the House of Representatives this 16th day of June, 2014.

J. SAMPSON-MEIGUEL

Clerk of the House

IT IS HEREBY CERTIFIED that this Act is one the Bill for which has been passed by the House of Representatives and at the final vote thereon in the House has been supported by the votes of not less than three-fifths of all the members of the House, that is to say by the votes of 35 members of the House.

J. SAMPSON-MEIGUEL

Clerk of the House

Passed in the Senate this 2nd day of July, 2014.

IT IS HEREBY CERTIFIED that this Act is one the Bill for which has been passed by the Senate and at the final vote thereon in the Senate has been supported by the votes of not less than three-fifths of all the members of the Senate, that is to say by the votes of 27 Senators.

N. ATIBA-DILCHAN

Clerk of the Senate