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CHAPTER 95

GENERAL LOAN AND STOCK

An Act to declare the terms and conditions applicable to loans authorised to be raised by the Government of this Island, and to provide for the creation of stock.

1935-7.
1949-62.
1952-24.
1955-26.
L.N. 168/
1967.

[27th September, 1935] Commence-
ment.

WHEREAS it is expedient to define in one Act the terms and conditions applicable to loans hereafter authorised to be raised by the Government;

Preamble.

AND WHEREAS it is expedient to provide for the creation of stock and to enable the Island to take advantage of the Colonial Stock Act, 1877, of the United Kingdom Parliament, and the subsequent Acts on the same subject.¹

1. This Act may be cited as the General Loan and Stock Act.

Short title.

2. For the purposes of this Act, the expression—

Inter-
pretation.

“registered stock” means stock transferable by instrument in writing;

1955-26.

“stock” includes both inscribed and registered stock.

3. Whenever by any Act authority has been given, or is hereafter given, to raise any sum of money for the purposes mentioned in such Act, the Minister responsible for Finance, or the Crown Agents acting on his behalf, may from time to time, as he or they may deem expedient, raise such sum either by debentures or by Barbados stock, or partly by debentures and partly by stock.

Loans to be
raised by
debentures
or stock.

¹ See the Colonial Stock Acts, 1892, 1900, 1934 and 1948, and the Trustee Investments Act, 1961, all of the United Kingdom Parliament.

Loans to be a charge upon general revenue.
L.N. 168/
1967.

4. The principal moneys and interest represented by the debentures or stock issued under this Act are hereby charged upon the general revenues and assets of the Island and shall be payable out of the Consolidated Fund.

Borrowing upon debentures.
L.N. 168/
1967.

5. When the Minister responsible for Finance, or the Crown Agents acting on his behalf, deems it expedient to raise money by debentures, such debentures shall be issued in the United Kingdom on behalf of the Crown by the Crown Agents, upon the best and most favourable terms that can be obtained and shall be signed by any one of them on that behalf.

Amount of each debenture.

6. Every debenture issued under this Act shall be for the sum of not less than one hundred pounds sterling.¹

Debentures redeemable by annual drawings or purchase or on a date fixed.

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:

Provided that the Minister responsible for Finance or the Crown Agents acting on his behalf may reserve the option to redeem the debentures at some earlier date on such conditions as may be declared at the time of issue; or

- (b) by annual drawings at par or at the option of the Minister responsible for Finance or the Crown Agents acting on his behalf by purchase at or below par.

Interest coupons.

8. (1) There shall be attached to every debenture coupons for the payment of the 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 period as the Crown Agents acting on behalf of the Crown may determine.

L.N. 168/
1967.

¹ Equivalent to \$480.

9. The debentures and the coupons thereto shall be in such form as the Minister responsible for Finance or the Crown Agents acting on his behalf may direct or approve.

Form of debentures and coupons.

10. Every debenture and coupon, and the right to receive the principal and interest represented thereby, 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 in London of the Crown Agents.

Registry of debentures.

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

Payment of interest.

13. (1) So long as any of the debentures remain outstanding, there shall be paid from the Consolidated Fund, in each half-year ending with the day on which the interest on the debentures falls due, a sum equal to one half-year's interest on the whole of the debentures issued, including any which may have been redeemed, but exclusive of any which may have been at any time exchanged for stock, and shall remit that sum to the Crown Agents at such time as will enable them to pay thereout the then current half-year's interest on the day on which it falls due.

Mode of providing for payment of interest on debentures. L.N. 168/1967.

(2) Debentures shall not be deemed to be outstanding for the purpose 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.

14. There shall be paid from the Consolidated Fund, 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, for the formation of a sinking fund, an additional sum equal to one-half

Further sums to be remitted for redemption of debentures. L.N. 168/1967.

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of the annual contribution specified in the prospectus or, in the case of a loan not issued publicly, in the terms of issue relating to the loan, in respect of the total nominal amount of all the debentures issued, including any which may have been redeemed, but exclusive of any which may have been at any time exchanged for stock, and shall remit that sum to the Crown Agents with the remittance specified in section 13.

Application
of sinking
fund.

15. The sinking fund shall be applied in the first place in payment of all expenses of, or incidental to, the redemption of the debentures and the cost and expenses of all notices required by this Act to be given, and in the next place, and subject to the aforesaid payments, in repayment of the principal moneys for the time being represented by the debentures.

Creation
of sinking
fund for
redemption
of debentures
payable on a
fixed date.
1955-26.
L.N. 168/
1967.

16. In the case of debentures redeemable on a fixed date, the Crown Agents shall place at interest or invest so much of the money remitted to them under sections 13 and 14 as shall not be required for the payment of interest for the current half-year in the purchase of such securities as may be approved by the Minister responsible for Finance as a sinking fund for the final extinction of the debt, and the Crown Agents 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.

Disposal of
sinking
fund when
debentures
redeemable
by purchase
or by annual
drawings.

17. In the case of debentures redeemable by annual drawings, the Crown Agents shall place and keep the moneys so remitted to them, or so much thereof as may not be required for immediate payments, at interest, and shall hold all such moneys and the accumulations thereon in trust, to apply them in the first place 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.

Appointment
of day for
drawing of
debentures.

18. After the date specified in the Act authorising a loan as that on which the contributions to the sinking fund shall commence in respect of that loan, and so long thereafter as any of the debentures remain outstanding and unsatisfied, the

Crown Agents 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.

19. If a day is appointed for drawing, the Crown Agents shall give, by advertisement in the *London Times* newspaper, 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.

20. On the day and at the hour and place so specified the Crown Agents 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, if any, as may attend, and of a notary public, draw by lot, out of the whole number of debentures for the time being outstanding, debentures of the specified nominal amount.

Mode of drawing.

21. The Crown Agents shall thereupon declare the distinguishing numbers of the debentures drawn for redemption, and shall, as soon as may be, by advertisement in the *London Times* newspaper, 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.

Notice of debentures drawn for redemption.

22. On the day so appointed the Crown Agents shall at their office in London, on demand, pay to the holders of the debentures drawn for repayment the principal moneys represented by those debentures, with all interest payable thereon up to that day.

Payment of drawn debentures.

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

Cesser of interest from day appointed for payment of principal.

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Redeemed debentures to be cancelled.

24. (1) Upon the repayment of the principal moneys represented by any debentures, the debenture, with all the coupons thereunto belonging, shall be delivered up to the Crown Agents, to be by them cancelled and disposed of in such manner as the Minister responsible for Finance or the Crown Agents acting on his behalf may decide.

(2) Any debenture redeemed by purchase shall likewise be so cancelled and disposed of.

Borrowing upon stock.

25. When by authority of Parliament, the Minister responsible for Finance, or the Crown Agents acting on his behalf, deems it expedient to raise money by the issue of Barbados stock, then such stock shall be issued in the United Kingdom by the Crown Agents under the Colonial Stock Act, 1877, of the United Kingdom Parliament¹, upon the best and most favourable terms that can be obtained.

Repayment of principal.

26. (1) Subject to subsection (2), all the stock which may be created under this Act shall be redeemable at par on a date to be named in that behalf by the Crown Agents when issuing the stock, such date not being later than sixty years from the date of issue.

(2) The Minister responsible for Finance or the Crown Agents acting on his behalf may reserve the option to redeem the stock in whole or in part, by drawings or otherwise at any time prior to such date on such conditions as may be declared at the time of issue.

(3) From and after the date appointed for the redemption of the stock or any part of it all the interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal has been demanded or not.

Mode of providing for payment of interest on stock.
L.N. 168/
1967.

27. So long as any of the stock shall remain unredeemed, there shall be paid from the Consolidated Fund, in each half-year ending with the day on which the interest on such stock falls due, a sum equal to one half-year's interest on the

¹ 40 & 41 Vict. c. 59 (see also Colonial Stock Acts, 1892, 1900, 1934, and 1948, and the Trustee Investments Act, 1961).

whole of such stock, and shall remit that sum to the Crown Agents at such time as will enable them to pay thereout the then current half-year's interest on the day when it falls due.

28. There shall be paid from the Consolidated Fund, 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, for the formation of a sinking fund an additional sum equal to one-half of the annual contribution specified in the prospectus or, in the case of a loan not issued publicly, in the terms of issue relating to the loan, in respect of the total nominal amount of such stock including any such stock which may at any time have been issued in exchange for debentures under the authority of this Act, and shall remit that sum to the Crown Agents with the remittance specified in section 27.

Mode of providing for payment of principal of stock. 1949-62. L.N. 168/1967.

29. The Crown Agents shall, for the purpose of forming such sinking fund, from time to time place at interest or invest so much of the money remitted to them under sections 27 and 28 as shall not be required for the payment of interest for the current half-year in the purchase of such securities as may from time to time be approved by the Minister responsible for Finance and 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 repayment of the principal moneys for the time being represented by the stock.

Creation of sinking fund. 1949-62. 1955-26. L.N. 168/1967.

30. Whensoever the sinking funds provided for by this Act are insufficient for the payment of all the principal moneys borrowed under the authority of this Act at the time the same becomes due, the deficiency shall be a charge upon the general revenues and assets of the Island.

Charges upon general revenue. L.N. 168/1967.

31. All expenses of or incidental to the management of the sinking fund, or to the payment of the principal moneys borrowed, shall be paid out of the sinking fund.

Expenses to be paid out of sinking fund.

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Powers of
Minister.

32. (1) The Minister responsible for Finance has, and may from time to time exercise, the following powers and authorities or any of them—

- (a) he may authorise the Crown Agents when issuing any loan in the form of debentures to declare that such debentures will be convertible into stock at such dates and on such terms and conditions as may be prescribed by the Crown Agents at the time of the issue of the debentures;
- (b) he may declare all or any of the Island's loans, whether existing in the form of stock or debentures, to be convertible into stock and, whether issued before or after the commencement of this Act, to be issued under this Act;
- (c) he may authorise the creation and issue of such an amount of stock in exchange for the securities held for such loans as may be necessary;
- (d) he may authorise the creation and sale of any such stock or debentures for the purpose of raising money for redeeming any outstanding loans, whether issued before or after the passing of this Act, for paying any expenses in the creation of stock, and otherwise for carrying out this Act.

1955-26.

(2) Any conversion authorised under subsection (1) may be effected either by an arrangement with the holders of existing securities or by purchase thereof out of moneys raised by the sale of stock, or partly in one way and partly in the other.

Exchange of
securities for
stock.

33. Nothing in this Act shall authorise an increase of the capital or of the annual charge on any loan, except in the following cases—

- (a) when securities exchanged for stock bear a rate of interest not less than the stock, an additional amount of stock may be created and issued to make up the difference in saleable value between the securities and the stock;
- (b) in the case of the conversion of securities into stock the Crown Agents shall issue such an amount of stock

as may be required to defray the stamp duties and all other expenses incidental to the conversion;

- (c) in accordance with such terms and conditions as may be prescribed under paragraph (a) of section 32.

34. The securities exchanged or otherwise converted into stock under this Act shall be forthwith cancelled by the Crown Agents and the debentures surrendered shall be cancelled and transmitted to the Accountant-General.

Converted securities to be cancelled. L.N. 168/1967.

35. The trustees of the sinking fund appointed under this Act, and acting under any Act authorising the issue of any securities which may be exchanged into stock or cancelled or purchased under this Act, shall determine what amount of the sinking fund held by them and created for repayment of such securities shall be released, and in the determination of such question the trustees shall take into consideration the value of the whole investments held by them on account of such sinking funds, the amount of the debt remaining a charge on such sinking funds, and such matters as the trustees may think fit to take into account.

Trustees to apportion amount of sinking fund released by conversion.

36. So much of the sinking funds as may be released shall either be transferred to the trustees of the stock sinking fund, or be disposed of in such manner as the Minister responsible for Finance, with the advice and consent of Parliament, may direct.

Disposal of sinking funds released.

37. (1) Notwithstanding anything to the contrary contained in this Act, but subject to subsection (2), if at any time the trustees of the sinking fund of any loan issued or to be issued under this Act (other than a debenture loan redeemable by annual drawings or by purchase in the market) are satisfied that the value of the fund will be sufficient with further accumulations of interest but without further payments of contributions to enable the loan to be redeemed out of the proceeds of the sinking fund when the same falls due to be redeemed, the Minister responsible for Finance may suspend further payments of contributions to the said sinking fund.

Cessation of payments to sinking fund. 1949-52. L.N. 168/1967.

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(2) Contributions to the sinking fund shall be recommenced if the trustees at any time inform the Minister that it is necessary.

Creation,
inscription,
registering,
issue, con-
version and
transfer of
stock.

1952-24.

38. The Crown Agents may from time to time, at the request of the Minister responsible for Finance, make arrangements for all or any of the following things—

- (1) for inscribing and registering stock in their books;
- (2) for managing the creation, inscription, registering and issue of stock, including the issue of certificates of title in respect of such stock;
- (3) for effecting the conversion of loans into stock;
- (4) for paying interest on stock and managing the transfers thereof;
- (5) for issuing stock certificates to bearer, and, as often as occasion requires, re-inscribing or re-registering them;
- (6) for effecting the exchange or conversion of inscribed stock into registered stock.

Raising of
loans in
Barbados.

39. This Act is applicable only to the raising of loans in the United Kingdom, and nothing in this Act contained shall prevent the raising of loans in this Island upon such terms and conditions as shall be specified in any Act authorising the raising of such loans.

Authority
to make
regulations
under
Colonial
Stock Act,
1877.
1949-62.

40. Authority is hereby given for the making of regulations under section 16 of the Colonial Stock Act, 1877, of the United Kingdom Parliament to provide that, in accordance with section 1 of the Colonial Stock Act, 1948, of the United Kingdom Parliament, stock issued (whether before or after the passing of the last-mentioned Act) under this Act shall be transferable by instrument in writing in accordance with the regulations and in no other manner.