

CHAPTER 104B

SERIAL BONDS

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CHAPTER 104B

SERIAL BONDS

An Act to make provision for the payment of Government debts by the use of serial bonds. 1997-18.

[25th December, 1997] Commence-
ment.

1. This Act may be cited as the *Serial Bonds Act, 1997*. Short title.

2. (1) For the purposes of this Act, Definitions.

"bank" means a bank licensed under the *Financial Institutions Act*; Cap. 324A.

"bond" means a serial bond issued under section 3;

"interest rate" means the average of the ninety day Treasury Bill rates used for a period of six months immediately before the maturity date, plus a margin of 2%;

"Government" means the Government of Barbados;

"institutional investor"

(a) means

- (i) an insurance company,
- (ii) an approved pension fund, and

(b) includes

- (i) finance company, and
- (ii) any other person that the Minister in accordance with subsection (2) prescribes.

(2) The Minister may by order prescribe persons as institutional investors for the purposes of this Act.

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Issue of
serial bonds.

3. The Minister may, whenever it is considered necessary, with the approval of Parliament by resolution, issue bonds to be known as "serial bonds", for the payment of any debt.

Denomina-
tions and
maturity
dates of
bonds.

4. (1) Bonds shall be issued in such denominations as the Minister determines.

(2) Every bond shall be issued with a date printed on its face to be known as the "maturity date".

(3) Subject to subsection (4), the maturity date of a bond shall not be later than twelve months after the date of issue of the bond.

(4) The maturity date of a bond shall be determined by the Minister and may be extended for a period not exceeding six months after having obtained, in writing, the consent of the holders of bonds to such an extension.

Specific
require-
ments.

5. (1) Every bond must be signed by the Accountant-General and by such other public officer as the Minister approves.

(2) A facsimile signature of the Accountant-General and of the other public officer referred to in subsection (1) shall be sufficient evidence for the purposes of this section.

(3) The Accountant-General shall keep a register of bonds issued under this Act, in which he shall register or cause to be registered all such bonds and all transactions affecting such bonds.

(4) The Accountant-General shall be the transfer agent for bonds.

(5) Where the maturity date of a bond is extended in accordance with section 4(4) the new date to be known as the "revised maturity date" shall be recorded in the register of bonds referred to in subsection (3).

Interest.

6. (1) Interest on a bond shall begin to accrue from the day immediately following the maturity date and shall cease to accrue when the bond is redeemed by the Government.

(2) Bonds may be sold to any bank or institutional investor by holders of bonds.

7. Bonds are secured obligations of the Government and shall rank *pari passu* without preference among themselves. Secured obligations.

8. All principal monies and interest thereon payable in respect of bonds are a charge on the Consolidated Fund. Charge on the Consolidated Fund.

9. (1) Where a bond that is presented to the Accountant-General is damaged, defaced or rendered illegible, he may issue a duplicate bond in its place. Duplicate bonds.

(2) Where a person alleges that a bond held by him was lost or destroyed the Accountant-General, may issue a duplicate bond to that person if he

(a) produces an affidavit to the effect that the original bond was lost or destroyed; and

(b) agrees to indemnify the Crown against loss in the event that the bond is subsequently found and presented for redemption.

(3) A duplicate bond must be issued in accordance with the requirements of section 5.

10. Redemption of bonds may be effected on presentation to the Accountant-General. Redemption of bonds.

11. Non-resident holders of bonds are exempt from the payment of withholding tax on interest accruing on the bonds. Exemption.

12. The Minister may make regulations for carrying into effect the provisions of this Act. Regulations.