

PARLIAMENT OFFICE,  
Public Buildings,  
Georgetown,  
Guyana.

16th October, 1974

The following Bill which will be introduced in the National Assembly is published for general information.

**F. A. NARAIN,**  
Clerk of the National Assembly.



## **GUYANA**

BILL No. 35 of 1974

STATE ENTERPRISES (GUARANTEE) BILL 1974

### ARRANGEMENT OF SECTIONS

#### SECTION

1. Short title.
2. Interpretation.
3. Sums charged on the Consolidated Fund.
4. Application of provisions of the Guarantee of Loans (Public Corporations and Companies) Act 1971.
5. Regulations.
6. Amendment of the Guarantee of Loans (Public Corporations and Companies) Act 1971.

## A BILL

## Intituled

AN ACT to impose a charge on the Consolidated Fund for the repayment of monies by the Government pursuant to agreements entered into with financial and other institutions under the authority of the Resolutions of the National Assembly and to amend the Guarantee of Loans (Public Corporations and Companies) Act 1971.

Enacted by the Parliament of Guyana:—

A. D. 1974

1. This Act may be cited as the State Enterprises <sup>short title.</sup> (Guarantee) Act 1974.

2. In this Act —

Inter-  
pretation

“lending agency” means an international financial organisation or any bank, insurance company or other source of financing;

“Minister” means the Minister responsible for finance;

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

“registered society” means a co-operative society registered under the Co-operative Societies Act; <sup>Cap. 88:01</sup>

“state enterprise” means any public corporation as may be designated for the purposes of this Act by order of the Minister or any company incorporated in Guyana in which the State through any of its agencies holds at least fifty-one per cent of the ordinary share capital thereof.

3.(1) Where the Government, acting under the authority of a resolution of the National Assembly, enters into an agreement with a lending agency guaranteeing the repayment to that agency of monies advanced or expended by that agency to or for the benefit of a state enterprise or a registered society, <sup>Sums charged on Consolidated Fund.</sup>

those monies shall be charged on the Consolidated Fund if they become payable by the Government pursuant to the guarantee.

(2) The provisions of subsection (1) imposing a charge on the Consolidated Fund shall apply to any monies becoming payable by the Government as principal obligor to a lending agency by virtue of an agreement entered into between that agency and the Government acting under the authority of a resolution of the National Assembly.

Application  
of provisions  
of the Gua-  
rantee of  
Loans (Pub-  
lic Corpora-  
tions and  
Companies)  
Act 1971  
No. 16 of  
1971

4. Sections 5, 6(1) and 7 of the Guarantee of Loans (Public Corporations and Companies) Act 1971 shall, as they apply to a guarantee given under that Act, apply *mutatis mutandis* to a guarantee referred to in section 3 and for that purpose references in that Act to a Corporation shall be construed and have effect as references to a state enterprise or a registered society, as the case may be.

Regulations.

5. The Minister may make regulations for the purpose of giving effect to the provisions of this Act.

Amendment  
of the Gua-  
rantee of  
Loans (Pub-  
lic Corpora-  
tions and Com-  
panies) Act  
1971. No.  
16  
of 1971.

6. The Guarantee of Loans (Public Corporations and Companies) Act 1971 is hereby amended in the following respects —

- (a) by the insertion in the Long Title thereof, immediately after the word “interest” of the words “and to authorise the Government to give undertakings to sources of financing under which sums payable by the Government pursuant thereto shall become chargeable on the Consolidated Fund”;
- (b) by the insertion immediately after the words “1962”, appearing in the definition of the word “Corporation” of the words “any co-operative society registered under the Co-operative Societies Act”;
- (c) by the substitution of a semicolon for the full stop, appearing at the end of section 3(1) (b), and the insertion immediately thereafter of the following paragraph as paragraph (c) —
  - “(c) undertake the repayment to a lending agency of such sums as the lending agency may have advanced to or for the benefit of the Government.”; and

- (d) by the insertion immediately after the word "guarantees" and the word "guarantee" wherever they appear in section 4 of the words "or undertakings" and the words "or undertaking", respectively.

#### EXPLANATORY MEMORANDUM

From time to time, it is necessary as part of their normal business, for trading enterprises which are either wholly or substantially owned by the State, co-operative societies or public corporations to operate overdrafts, effect letters of credit and establish lines of credit with commercial banks, financial institutions or other lending agencies.

The commercial banks, financial institutions or other lending agencies sometimes require a guarantee by the Government securing the repayment of sums expended on account of such transactions. Such a guarantee is usually authorised by resolution of the National Assembly. Clause 3 of this Bill seeks to render any sums to be paid by Government under such a guarantee chargeable on the Consolidated Fund and to provide for a similar charge where the Government is the principal obligor of any of the bodies referred to above under an agreement entered into with that body by the Government pursuant to a resolution by the National Assembly.

Clauses 4 and 5 of the Bill seek to apply certain provisions of the Guarantee of Loans (Public Corporations and Companies) Act, 1971 to the guarantees established pursuant to the provisions of clause 3.

Clause 6 of the Bill seeks to effect certain amendments to the Guarantee of Loans (Public Corporations and Companies) Act, 1971 for the purpose of applying the provisions of that Act to guarantees relating to co-operative societies and to financial repayments undertaken by the Government as the principal obligor.

*F. E. Hope,*  
Minister of Finance.

(Bill No. 35/1974)