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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. 12 OF 1979

RATE OF INTEREST BILL 1979

ARRANGEMENT OF SECTIONS

SECTION

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A BILL

Intituled

AN ACT to provide for the prescription of a maximum rate of interest in any contract or transaction.

A.D. 1979 Enacted by the Parliament of Guyana :

Short title. 1. This Act may be cited as the Rate of Interest Act 1979.

Interpreta- 2. For the purposes of this Act, the expression —
tion

“exempted person” means any person or class of persons exempted by order under section 6 from the provisions of section 3, 4 or 5;

“judgment” means a judgment, order or decree of the High Court and includes a judgment as well as any other adjudication, order or decision of a magistrate’s court;

“Minister” means the Minister responsible for finance;

“prescribed rate” means the rate of interest prescribed by the Minister by order under section 6 as the highest rate chargeable in respect of any contract, transaction or judgment, as the case may be, by any person or class of persons specified in any such order.

Maximum
rate of
interest on
contracts

3.(1) No person, other than an exempted person, may in any contract made after the commencement of this Act —

- (a) directly or indirectly charge, secure or reserve a rate of interest higher than the prescribed rate; or
- (b) charge with, or make liable for, interest at a rate higher than the prescribed rate, any movable or immovable property.

(2) Interest in excess of the prescribed rate on any contract entered into after the commencement of this Act shall not be recoverable and may not be sued for in any court.

4.(1) Subject to subsection (2), all sums of money due or payable under or by virtue of any judgment obtained by any person, other than an exempted person, after the commencement of this Act, shall carry interest at a rate not exceeding the prescribed rate from the time of entering up such judgment until the judgment is satisfied.

Maximum rate of interest on judgments, etc

(2) Notwithstanding subsection (1), on any judgment obtained by any person, other than an exempted person, on any bond, either with or without a warrant of attorney, the rate of interest payable on the amount due on such judgment shall be the rate, if any, expressed in such bond, and, if no rate is expressed therein, then such judgment shall carry interest at a rate not exceeding the prescribed rate.

5. No person, other than an exempted person, may charge on any book-debts, accounts of which have been rendered after the commencement of this Act, or on any balance of accounts or on any written acknowledgement of debts rendered or dated, as the case may be, after such commencement, a rate of interest higher than the prescribed rate.

Maximum rate of interest on book-debts, etc.

6.(1) Notwithstanding anything contained in any other enactment, the Minister may by order —

Power of Minister by order to prescribe rates of interest and grant exemptions

- (a) prescribe the maximum rate of interest which may be charged by any person or class of persons specified in such order in respect of any contract, transaction or judgment or any class of contract, transaction or judgment so specified;
- (b) exempt from the provisions of section 3, 4 or 5 any person or class of persons specified in any such order and subject to such conditions as may be so specified.

(2) An order made under subsection (1) may contain such incidental, consequential and supplemental provisions as the Minister may consider necessary for giving full effect to the order, including provisions for the adaptation, amendment or repeal of any provision of this Act or of any other enactment relating to the charging of rates of interest.

(3) Any rate of interest prescribed by any law or agreed upon in relation to any contract or transaction or any class of contract or transaction before the commencement of this Act shall continue in force and have effect until such time as a new rate of interest is prescribed therefor under this section.

(4) Every order made under subsection (1) shall be subject to negative resolution of the National Assembly.

Offences.

7.(1) Any person who contravenes any provision of this Act or of any order made under subsection (1) of section 6 shall be guilty of an offence and shall be liable on summary conviction thereof —

- (a) in the case of an individual to a fine of five hundred dollars; and
- (b) in the case of a person who is not an individual to a fine of five thousand dollars.

(2) Where a body corporate is convicted of an offence under this Act, then every person who at the time of the commission of the offence was a director or officer of the body corporate, shall be deemed to be guilty of the offence unless he proves that it was committed without his knowledge or that he exercised all due diligence to prevent the commission thereof.

(3) A prosecution for an offence under this Act may be commenced at any time within three years from the date when the matter to which the prosecution relates arose.

EXPLANATORY MEMORANDUM

This Bill seeks to provide for the prescription by order made under clause 6 of a maximum rate of interest in respect of contracts.

F. E. Hope,
Minister of Finance.

(Bill No. 12/1979)

(ST: 49/07)