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CHAPTER 290.**GENERAL LOCAL LOAN.**

An Ordinance to declare the terms and conditions applicable to local loans authorised by any Ordinance to be raised by the Governor; and to provide for matters connected therewith. 25 of 1941.

[6TH DECEMBER, 1941.]

1. This Ordinance may be cited as the General Local Loan Short title.
Ordinance.

- Application. 2. This Ordinance shall be applicable only to loans raised locally in the Colony.
- Loans to be raised by debentures. 3. Whenever by an Ordinance authority shall have been given to the Governor to raise any sum of money for the purposes mentioned in such Ordinance the Governor may from time to time as he may deem expedient raise such sum by debentures issued under the provisions of this Ordinance.
- Loans to be a charge upon general revenue. 4. The principal moneys and interest represented by such debentures are hereby charged upon, and shall be payable out of, the general revenues and assets of the Colony.
- Borrowing upon debentures. 5. Such debentures shall be issued in the Colony upon the best and most favourable terms that can be obtained and shall be signed by the persons for the time being holding the offices of Chief Secretary and Financial Secretary respectively or by any other person or persons thereto specially authorised by the Governor.
- Amount of each debenture. 6. Every debenture issued under the provisions of this Ordinance shall be for a sum of not less than fifty dollars.
- Debentures may be either fixed-date or drawing debentures. 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 (such debentures being hereinafter referred to as “fixed-date debentures”);
 Provided that the Governor may reserve the option to redeem the debentures prior to such date on such conditions as may be declared at the time of issue; or
 (b) by annual drawings at par to be made in the manner hereinafter provided or, at the option of the Governor, by purchase in the market (such debentures being hereinafter referred to as “drawing debentures”).
- Interest coupons. 8. There shall be attached to every debenture coupons for the payment of interest to become due in each half-year upon the principal represented by the debenture. 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 Governor may determine.
- Form of debenture and coupons. 9. The debentures and the coupons thereto shall be in such form as the Governor may direct or approve.

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. Particulars of each debenture shall, before the issue thereof, be recorded in a register to be kept for that purpose at the Colonial Treasury. Register of debentures.
12. The interest upon the principal represented by each debenture shall run from the date specified in that behalf in the debenture and shall be paid half-yearly, on the dates specified in that behalf in the debenture, at the Colonial Treasury. Payment of interest.
13. (1) So long as any of the debentures remain outstanding, the Governor shall, in each half-year ending with the date on which the interest on the debentures falls due, appropriate out of the general revenues and assets of the Colony a sum equal to one half-year's interest on the whole of the debentures issued including any which may have been redeemed. Mode of providing for payment of interest on debentures and for contributions to sinking fund.
- (2) The Governor shall also, in each such half-year commencing with that specified in the Ordinance authorising the loan, appropriate out of the said revenues and assets of the Colony, for the formation of a sinking fund, an additional sum equal to one-half of the annual contribution to be decided upon by the Governor on the issue of the loan. Such contribution shall be in respect of the total nominal amount of all the debentures issued including any which may have been redeemed.
- (3) For the purposes of this Ordinance debentures shall not be deemed to be outstanding by reason only that one or more of the debentures have not been presented for payment on the date appointed for payment and have in consequence not been paid.
14. (1) Subject to the provisions of this section, in the case of fixed-date debentures so much of the moneys appropriated as aforesaid as shall not be required for the immediate payment of interest shall be remitted to the Crown Agents for the formation of a sinking fund and the Crown Agents shall invest the money so remitted to them in the purchase of such securities as may be approved by the Secretary of State as a sinking fund for the final extinction of the debt and shall also invest 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 Secretary of State, change any such investments and shall hold such fund in trust for the repayment of the Creation of sinking fund for redemption of debentures payable on a fixed date.

principal moneys for the time being represented by the debentures.

Conditional power to suspend payments to the sinking fund.

(2) If at any time the trustees of the sinking fund are satisfied that the value of the fund will be sufficient with further accumulation of interest, but without further payments of contributions, to enable the debentures to be redeemed out of the proceeds of the sinking fund when the same shall fall due to be redeemed the Governor may, with the approval of the Secretary of State, suspend further payment of the contributions to the said sinking fund:

Provided that the payment of contributions to the sinking fund shall be resumed if the trustees shall at any time inform the Governor that such payments have become necessary.

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

15. In the case of drawing debentures, so much of the moneys appropriated as aforesaid as shall not be required for the immediate payment of interest, and the accumulations thereon, shall be held by the Financial Secretary in trust to apply them 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 in the manner provided in the section next following.

Appointment of date for drawing of debentures.

16. (1) After the commencement of the contributions to the sinking fund in respect of any loan, and so long thereafter as any of the debentures remain outstanding, the Governor 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 date in that year for the drawing by lot of the debentures to be redeemed.

Notice of time and place appointed for drawing.

(2) If a date is appointed for drawing, the Financial Secretary shall, by notice published in the Gazette and in at least one local newspaper, give not less than fifteen days previous notice of the date on which, and the hour and place at which, the drawing will take place.

Mode of drawing.

(3) On the date and at the hour and place so specified the Chief Secretary and Financial Secretary, or any other officers appointed by the Governor for the purpose, shall hold a meeting at which the holder of any debenture may, if he think fit, be present and one of the aforementioned officers shall then, in the presence of such debenture holders, if any, draw by lot, out of the whole number of debentures for the time being outstanding, debentures of the specified nominal amount.

(4) One of the officers specified in, or appointed under, the last preceding subsection shall thereupon declare the distinguishing numbers of the debentures drawn for redemption and the Financial Secretary shall, as soon as may be by notice published in the Gazette and in at least one local newspaper, specify those numbers and appoint a date not being later as to each debenture than the date 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.

(5) From and after the date appointed under the last preceding subsection the Financial Secretary shall, on demand being made at the Colonial Treasury, pay to the holders of the debentures drawn for repayment the principal moneys represented by those debentures with all interest payable thereon up to the appointed date.

Payment of drawn debentures.

17. From and after the date appointed for the repayment of any debenture, whether a fixed-date or a drawing debenture, all interest on the principal moneys represented thereby shall cease and determine whether payment of the principal shall have been demanded or not.

Interest to cease to accrue as from date appointed for payment of principal.

18. (1) Upon the repayment of the principal moneys represented by any debenture, such debenture, together with all the coupons thereunto belonging, shall be delivered up to the Financial Secretary to be by him cancelled and retained.

Redeemed debentures to be cancelled.

(2) Any drawing debenture redeemed by purchase shall be cancelled and retained as aforesaid.

19. All expenses of, or incidental to, the redemption of the debentures and the costs and expenses of all notices required to be published by this Ordinance may be paid out of the sinking fund.

Expenses of redemption to be borne by sinking fund.