



BILL No. 5 of 1974

GUARANTEE OF LOANS (PUBLIC CORPORATIONS AND  
COMPANIES) (AMENDMENT) BILL 1974

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Arrangement of Sections

Section

1. Short title.
2. Amendment of section 2 of the Principal Act.
3. Amendment of section 4 of the Principal Act.

A BILL

Intituled

**An Act to amend the Guarantee of Loans (Public Corporations and Companies) Act 1971.**

Enacted by the Parliament of Guyana :—

A.D. 1974

1. This Act, which amends the Guarantee of Loans (Public Corporations and Companies) Act 1971, may be cited as the Guarantee of Loans (Public Corporations and Companies) (Amendment) Act 1974. Short title. No. 16 of 1974.

2. Section 2 of the Principal Act is hereby amended in the following respects — Amendment of section 2 of the Principal Act.

- (a) by the re-numbering of the section as section 2(1); and
- (b) by the insertion therein of the following subsection —

“(2) For the purpose of this Act, a borrowing by a Corporation shall be deemed to include the obligation of the Corporation to make payments to any person arising out of any contract lawfully entered into by the Corporation.”.

3. Subsection (1) of section 4 of the Principal Act is hereby amended by the substitution of the word “fifty” for the word “twenty-five”. Amendment of section 4 of the Principal Act.

EXPLANATORY MEMORANDUM

The Guarantee of Loans (Public Corporations and Companies) Act 1971 enables the Government of Guyana to guarantee the repayment of sums obtained under loan agreements entered into with lending agencies by public corporations or companies in which the State holds at least fifty-one per cent of the ordinary share capital.

To facilitate commercial transactions by such corporations, it is proposed that the Government be empowered to guarantee the discharge of liabilities of such corporations and companies as may be incurred by them under any contract lawfully entered into by them with any person.

The Bill seeks to provide accordingly by amending section 2 of the Act and in addition to extend the existing maximum aggregate amount capable of being guaranteed by the Government from twenty-five million dollars to fifty million dollars.

F. E. HOPE,  
Minister of Finance.