



GUYANA

ACT No. 16 of 1984

BANK OF GUYANA (AMENDMENT) ACT 1984

I assent:

L. F. S. BURNHAM,
President.

1984—11—14

ARRANGEMENT OF SECTIONS

SECTION

1. Short title and commencement.
2. Amendment of the Principal Act.
3. Validation.

AN ACT to amend the Bank of Guyana Act.

A.D. 1984 Enacted by the Parliament of Guyana:—

Short title
and com-
mencement.
Cap. 85:02.

1. This Act, which amends the Bank of Guyana Act, may be cited as the Bank of Guyana (Amendment) Act 1984, and shall be deemed to have come into operation on 1st January, 1984.

Amendment
of the
Principal
Act.

2. The Principal Act is hereby amended by the insertion in Part VIII, after section 51, of the following section as section 51A —

'Guarantee
by the Bank
of the dis-
charge of
certain
obligations
by the Gov-
ernment or a
Corporation.

51A. (1) Subject to the provisions of this section, the Bank may in such manner and on such terms and subject to such conditions as may be agreed between it and a lending agency —

- (a) guarantee the discharge by the Government or a Corporation of its obligations under any agreement which may be entered into by the Government or the Corporation, as the case may be, with a lending agency in respect of any borrowing by it from the lending agency;
- (b) assume such other obligations as may be agreed between the Government, or the Corporation, and the lending agency in relation to or pursuant to any such agreement.

(2) A guarantee given by the Bank under subsection (1) shall be given in writing.

(3) The aggregate amount of the liability of the Bank in respect of guarantees given under subsection (1) shall not at any time exceed any maximum limit specified by the National Assembly by resolution and in force at the relevant time.

(4) The reference in subsection (3) to the liability of the Bank in respect of a guarantee shall be construed exclusively of any liability in respect of interest on any principal moneys the payment of which is subject to the guarantee.

(5) Where in the opinion of the Minister there is reasonable cause to believe —

- (a) that a Corporation is likely to fail or be unable to discharge any of its obligations under any agreement concluded by it with a lending agency in respect of any borrowing; and
- (b) that the Bank is or may become liable to pay any sum or fulfil any obligation pursuant to any guarantee given by it in respect of any such obligation of the Corporation;

the Minister may, notwithstanding any rule of law or agreement to the contrary, give such directions in writing to the Corporation as may from time to time be necessary or desirable to ensure that such arrangements are made by the Corporation as will enable it to discharge its obligations under such agreement, or under this section, and the Corporation shall comply with such directions.

(6) Where any sum is paid by the Bank in respect of any liability incurred by it under a guarantee given in exercise of the powers conferred by subsection (1) in respect of any borrowing by a Corporation from a lending agency, the Corporation shall repay such sum (together with interest thereon at such rate as the Minister may specify) to the Bank in such manner and at such time as the Minister may specify.

(7) Where a Corporation fails or refuses to repay any sum payable by it to the Bank under subsection (6), within the time specified therefor by the Minister, that sum shall be charged on the Consolidated Fund with effect from the date on which the time so specified expires and the Minister shall direct payment of the sum to issue out of the Consolidated Fund; and where any sum is so issued out of the Consolidated Fund the aforesaid Corporation shall repay such sum (together with interest thereon at such rate as the Minister may specify) into the Consolidated Fund in such manner and at such time as the Minister may specify.

(8) Where any sum is paid by the Bank in respect of any liability incurred by it under a guarantee given in exercise of the powers conferred by subsection (1) in respect of any borrowing by the Government from a lending agency, that sum shall be charged on the Consolidated Fund and the Minister shall direct payment of the sum to issue out of the Consolidated Fund.

(9) (a) In this section —

- Cap. 75:01. (i) "Corporation" means the Guyana State Corporation, any other public corporation, any financial institution established under the Co-operative Financial Institutions Act, any body corporate over which the Guyana State Corporation exercises supervision and control pursuant to section 5 of the Public Corporations Act and any company incorporated in Guyana in which the Government or the Guyana State Corporation holds at least fifty-one per cent of the ordinary share capital thereof;
- Cap. 19:05. (ii) "lending agency" means any foreign banking or financial institution or any international financial organisation;
- Cap. 77:01. (iii) the expression "ordinary share capital" has the meaning assigned to it by the Guarantee of Loans (Public Corporations and Companies) Act.

(b) For the purposes of this section, a borrowing by the Government or a Corporation shall be deemed to include the obligation of the Government or the Corporation to make payments to any person arising out of any contract lawfully entered into by it.

Validation.
Cap. 85:02.

3. (1) A guarantee given by the Bank of Guyana on or after 1st January, 1984 and before the enactment of this Act, in respect of the discharge of the obligations of the Government or a Corporation under any agreement entered into by the Government or the Corporation with a lending agency, which would have been lawful and valid had the amendment made in the Bank of Guyana Act by this Act been in operation on the material date, shall be deemed to be, and always to have been, lawfully and validly given.

(2) In this section the expressions "Corporation" and "lending agency" have the meanings assigned to them by section 51A of the Principal Act.

Passed by the National Assembly on 1984-09-27.

F. A. Narain

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Clerk of the National Assembly.