

**BILL No. 10 OF 1981**

*Thursday, 24th September, 1981*



**GUYANA**

**BILL No. 10 of 1981**

**PREMIUM BONDS BILL 1981**  
**ARRANGEMENT OF SECTIONS**

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## A BILL

### Intituled

AN ACT to authorise the raising of loans by the Government, by the issue of Premium Bonds for purposes related to the defence of Guyana and for other purposes.

A.D. 1981 Enacted by the Parliament of Guyana :—

- Short title.** 1. This Act may be cited as the Premium Bonds Act 1981.
- Inter-pretation.** 2. In this Act —
- Cap. 85:01** (a) “bank” means a bank as defined in section 2(1) of the Banking Act and includes the Guyana National Co-operative Bank established by section 3(1) of the Guyana National Co-operative Bank Act;
- Cap. 85:03** (b) “Bond” means a Premium Bond issued under section 3;
- (c) “Premium Bonds Committee” means the Premium Bonds Committee constituted under section 10;
- (d) “prescribed” means prescribed by regulations made by the Minister under this Act;
- (e) “service agency” means a bank or any branch, agency or office thereof appointed, or deemed to be appointed by the Bank of Guyana under section 9 as a service agency for the purposes of this Act.

3.(1) If the Minister, by order, so directs the Bank of Guyana shall issue bonds, to be called Premium Bonds, to raise money for purposes related to the defence of Guyana or for any other purpose or purposes mentioned in the order. **Issue of Premium Bonds.**

(2) Any series of Bonds may be designated by a name related to the purpose or purposes for which it is issued.

(3) The Minister shall, by order, specify the date from which the Bonds for any purpose or purposes shall be issued and thereafter that series of Bonds shall be issued continuously until terminated by him.

(4) The Bonds shall be issued in the denomination of twenty-five dollars and in such other denominations, being multiples of twenty-five dollars, as may be prescribed.

(5) The Bonds shall be in such form and shall be issued subject to such terms and conditions as may be prescribed.

(6) The Bonds shall be issued at par.

(7) Subject to regulations made by the Minister, the Bonds may be purchased at any branch, agency or office of the Bank of Guyana or at any service agency.

(8) The Minister may, by order, limit the number of Bonds that may be issued to a person and different limits may be specified for different classes of persons.

4. Each Bond shall bear an issue date as of the day when it is first sold to a purchaser under section 3(7). **Issue date of Bond.**

5. A Bond shall be redeemed at par, at any time after the expiry of six months from the issue date which it bears, upon application by the holder thereof in the prescribed manner and on surrender of the Bond, — **Redemption of Bonds**

(a) to the Bank of Guyana; or

(b) to the service agency from which it was purchased, where the service agency is specially authorised for the purposes of this section by the Bank of Guyana.

6. The Bonds shall be capable of being transferred by delivery, or in such other manner as may be prescribed. **Negotiation of Bonds.**

7.(1) The interest earnings of the Bonds, calculated at such rate as may be specified by the Minister in respect of any series of Bonds, shall be constituted into a pool from which prizes on the winning Bonds shall be paid. **Payment of prizes on Bonds.**

(2) Such number of prizes, and of such amounts, as may be directed by the Minister, shall be paid on the winning Bonds.

(3) The Bond entitled to a prize shall be determined by lot, drawn in such manner as may be directed by the Minister, from among the Bonds eligible for inclusion in the draw of lots at the relevant lottery.

(4) The lottery shall be held at such intervals as may be prescribed, and on such date and at such time as may be notified by the Bank of Guyana.

(5) All Bonds issued and not redeemed before the date specified by the Premium Bonds Committee in relation to the relevant lottery shall be eligible for inclusion in the draw of lots at that lottery:

Provided that Bonds bearing issue dates which are within a period of six months immediately preceding the date of any lottery shall not be eligible for inclusion in the draw of lots at that lottery.

(6) Where the Bonds have been issued in the denomination of twenty-five dollars and in denominations which are multiples thereof each unit of the value of twenty-five dollars of the higher denomination shall have one chance in the draw.

(7) The prizes shall be paid, after the presentation of the winning Bond by the holder thereof to the Bank of Guyana, or to the service agency from whom it was purchased, and verification of the winning Bond by the Bank of Guyana, by cheque by the Bank of Guyana or the aforementioned service agency.

8. The prizes that are not claimed within a period of two years from the date of the announcement thereof shall be deemed unclaimed and shall be forfeited to the Government and paid into the Consolidated Fund.

Unclaimed prizes to forfeit to Government.

9.(1) The Bank of Guyana may appoint any bank or any branch, agency, or office thereof, which may agree to function as such, as service agency for the purposes of this Act on such terms and conditions as may be agreed to between the Bank of Guyana and such bank or branch, agency or office of such bank, as the case may be, and where any bank is appointed as service agency under this subsection all its branches, agencies and offices in Guyana shall be deemed to have been so appointed as such service agencies and shall function as such.

Service agencies.

(2) Subject to the provisions of this Act, a service agency shall perform such duties as are stipulated in the agreement entered into between the Bank of Guyana and such service agency.

10.(1) The Minister shall, by order, constitute a committee, to be called the Premium Bonds Committee, consisting of the following members —

- (a) a chairman, to be appointed by the Minister, from among persons appearing to him to be qualified as having had experience of, and shown capacity in, matters relating to finance, banking, mobilization of savings or conduct of lotteries;
- (b) a member of the National Assembly, to be appointed by the Minister, from among those elected members who do not support the Government;
- (c) the Deputy Accountant General;
- (d) five other members, to be appointed by the Minister, one each to represent —
  - (i) the Bank of Guyana;
  - (ii) the Trades Union Congress;
  - (iii) the Guyana Consumers' Association;
  - (iv) the Council for the Affairs and Status of Women in Guyana;
  - (v) such bodies as appear to him to represent public officers or classes of public officers.

(2) The Premium Bonds Committee shall, subject to the provisions of this Act, have the following functions —

- (i) to make recommendations to the Minister as regards the frequency of the holding of lotteries and the number of prizes, and the amounts thereof, to be awarded for each draw;
- (ii) to determine the Bonds eligible for any lottery;
- (iii) to supervise the actual draw of lots at the lottery;
- (iv) to prepare and submit to the Minister a report on the results of each lottery recommending the payment of the prizes awarded therein;

- (v) to cause the publication of the results of the lottery in the Gazette and in such other manner as may be prescribed and to transmit the same to the Bank of Guyana;
- (vi) to popularise, and promote the sale of, the Bonds issued under this Act;
- (vii) such other functions as may be prescribed.

(3) The terms and conditions of the appointment of the members of the Premium Bonds Committee, the procedure to be followed by it in the transaction of its business and the remuneration and allowances (if any) payable to the members thereof shall be such as may be prescribed.

**Main-  
tenance  
of account.**

11.(1) The Accountant General shall maintain with the Bank of Guyana an account, with such heading as may be specified by him, to which the proceeds from the sale of the Bonds and the interest to be pooled under section 7(1) shall be credited and to which all expenses of the redemption of the Bonds, payments of prizes and commissions and other incidental expenses shall be charged.

(2) Where the amount in the account referred to in subsection (1) is not sufficient to meet the expenses to be charged to it under that subsection, the deficiency shall be met from the consolidated Fund.

**Moneys  
payable  
under Act  
to be part  
of public  
debt.**

12. All moneys payable by way of prize under this Act and all expenses of, and incidental to, the redemption of the Bonds shall be part of the public debt of Guyana within the meaning of article 221 of the Constitution.

**Exemption  
from in-  
come tax  
of amount  
of prize.**

13. No income tax shall be chargeable on the amount of any prize paid to the holder of any Bond under this Act.

**Defaced  
or mutilated  
Bonds.**

14.(1) Where a Bond has been defaced or mutilated, whether wholly or partially, in a way however that the serial number and value can be identified the person entitled thereto may make a written application, in such manner as may be prescribed, to the Bank of Guyana for the issue to him of a duplicate Bond and such application shall be supported by a statutory declaration verifying the facts set out in the application.

(2) Where the Bank of Guyana is satisfied that the circumstances set out in the said declaration warrant approval of the application, there may be issued to the applicant a duplicate Bond indorsed with such conditions, and on such terms, if any, as may be prescribed and the duplicate Bond shall, subject to such indorsement, be as effectual in law as the original.

(3) Pending replacement of a defaced or mutilated Bond by a duplicate Bond, its eligibility for inclusion in the draw of lots at any lottery under this Act shall not be suspended or in any manner impaired:

Provided that payment of any prize won by any such Bond at the lottery shall be held in abeyance until a duplicate Bond is issued under this section.

— 15.(1) Notwithstanding anything contained in this Act, the Minister shall be entitled to call for redemption the whole or any portion of the Bonds issued at any time, either at their face value or above, such Bonds to be redeemed being determined, where necessary, by the draw of lots.

Right of  
Minister  
to redeem  
whole or  
part of  
Bonds  
issued.

(2) The procedure for the redemption of Bonds under subsection (1) shall be such as may be prescribed.

16. The provisions of the Gambling Prevention Act shall not apply to anything done or any action taken under this Act.

Gambling  
Prevention  
Act, not to  
apply to any-  
thing done  
or any action  
taken under  
this Act.  
Cap. 9:02

17.(1) The Minister may make regulations for carrying out the purposes of this Act.

Regulations.

(2) Without prejudice to the generality of subsection (1), the regulations may, in particular, provide for all or any of the following matters —

- (a) the form of the Bonds and the terms and conditions subject to which they are issued;
- (b) the manner of applying for the purchase of a Bond or for the redemption thereof;
- (c) the regulation of the purchase and sale of the Bonds;
- (d) the manner of transferring the Bonds;
- (e) the intervals at which lotteries shall be held for the award of prizes under this Act;
- (f) the terms and conditions of the appointment of the members of the Premium Bonds Committee, the procedure to be followed in the transaction of its business, the remuneration and allowances (if any) payable to the members thereof and its functions:

- (g) the manner in which the results of a lottery shall be published;
- (h) the manner of applying for a duplicate Bond and the terms and conditions subject to which a duplicate Bond may be issued;
- (i) the procedure for the redemption of Bonds under section 15(1);
- (j) any other matter that is required to be, or may be, prescribed.

### **EXPLANATORY MEMORANDUM**

In view of the situation precipitated by the spurious claim to vast territories of Guyana, being agitated by Venezuela, it has become necessary to mobilise resources to reinforce our defence preparedness.

The Bill, therefore, seeks to empower the Minister to raise loans by the issue of Premium Bonds through the Bank of Guyana. The main feature of the Bonds are these. The Bonds will be issued in the denomination of twenty-five dollars or its multiples. No interest will be payable on the Bonds, but they will, after six months from the date of issue, be eligible to win prizes in the lotteries periodically held. The Bonds can be transferred by delivery and redeemed six months after the the date of issue. The Bonds can be purchased at any branch or office of the Bank of Guyana or the branch or office of any other commercial bank in Guyana appointed for that purpose by the Bank of Guyana. Though the main object of the proposed legislation is to enable the Minister to raise loans for purposes related to the defence of Guyana, it would be permissible to issue Premium Bonds for other equally important purposes as well, for example, national development.

*Sallahuddin*  
**Minister of Finance, also performing the duties  
of Vice-President, Economic Planning and Finance**

(Bill No. 10/1981)  
(St. 1/23/5)