



**THE FOLLOWING LEGISLATION
HAS BEEN REPEALED
BY**

ACT NO. 6 OF 2021

CHAPTER 382
DEVELOPMENT LOANS ACT
ARRANGEMENTS OF SECTIONS

SECTION

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CHAPTER 382

DEVELOPMENT LOANS ACT

An Act to authorise the Government of The Bahamas to borrow money externally or internally by the issue of bonds for the general development of The Bahamas. *12 cf 1990*

*[Assent 14th December, 1990]
[Commencement 21st December, 1990]*

- 1.** This Act may be cited as the Development Loans Act, 1990. Short title.
- 2.** In this Act — Interpretation.
- “bonds” means the bonds authorised to be issued under this Act;
- “Fiscal Agent” means any domestic or foreign bank, corporation or company appointed by the Minister to be the Fiscal Agent for the service of the bonds.
- 3.** (1) For the purpose of financing general development in The Bahamas, or the repayment of interim borrowings effected by the Government for such general development, the Minister for and on behalf of the Government of The Bahamas may, subject to the provisions of section 17 of the Financial Administration and Audit Act, borrow externally or internally any amount not exceeding in the aggregate the equivalent of one hundred million dollars in currency of the United States of America or such greater sum as the House of Assembly may by resolution direct. Raising of loans to finance development.
Ch. 359.
- (2) All borrowings under the provisions of this Act shall be effected and secured by the issue and sale of bonds and the bonds shall specify the rate of interest payable thereon and the place and currency of payment of the principal and interest.
- 4.** Subject to the provisions of this Act, the Minister — Minister enabled to enter into agreement and to determine form of bonds.
- (a) may enter into an agreement for the sale of bonds upon such terms and conditions, and the

agreement shall contain such covenants (including covenants as to the currency in which the borrowings shall be effected, the dates on which payment of the principal and interest shall be made, the rate of interest payable, the place of payment of the principal and interest and any premium payable on redemption), as the Minister shall determine; and

- (b) shall determine the form and denominations of the bonds and the terms, conditions and covenants to be included therein.

Nature and form
of bonds

5. (1) The bonds shall be direct, unconditional and general obligations of the Government of The Bahamas and the full faith and credit of the Government shall be unconditionally pledged for the payment of the principal of and interest on the bonds together with any premium, charge, assessment or other expense which may be incurred in connection with the issue or redemption thereof and the performance of all the covenants and obligations of the Government under or with respect to the bonds.

(2) The principal of and interest on the bonds and any sinking fund payments, premium, charge, assessment or other expense which may be incurred in connection with the issue or redemption of the bonds shall be charged upon and payable out of the Consolidated Fund and shall rank *pari passu* with all other present and future loan indebtedness of The Bahamas.

Redemption of
bonds

6. (1) The bonds may be redeemed by the establishment of sinking funds or in such manner and at such times and shall mature at such date or dates not later than fifty years after the date of issue as shall be determined by the Minister.

(2) Where a sinking fund is established for the purpose of the redemption of bonds, such moneys as are necessary to maintain and service such fund shall be charged upon the Consolidated Fund, and may be withdrawn from the Consolidated Fund in such amounts and at such times as may be specified by resolution passed by the House of Assembly.

7. (1) The principal of and interest and any redemption premium on the bonds or any of the bonds may, at the discretion of the Minister, be payable free from any taxes, duties, charges and assessments now or hereafter imposed by or within The Bahamas and shall be exempt from attachment, execution or seizure by or for The Bahamas. Principal and interest on bonds exempt from taxation.
- (2) The provisions of the Stamp Act shall not apply to bonds issued under this Act or to any agreement, instrument or document relating thereto. Ch. 370.
8. The Minister may, upon such terms and conditions as he may deem fit, authorise a Fiscal Agent to make payments on the bonds, to exchange for any bond delivered to it by a bond-holder or any bond which is mutilated, destroyed, stolen or lost, a bond or bonds of equal value and otherwise to act in connection with the service of the bonds. Fiscal Agent enabled to make payments on bonds.
9. (1) Bonds for securing the repayment of any amount which may be borrowed by virtue of this Act and any other instrument or document relating thereto may be signed by the Minister or by such other person as may be designated by the Minister by notice in the *Gazette*. Minister authorised to execute and issue bonds.
- (2) Bonds issued under this Act shall be authenticated in such manner as the Minister may in writing determine.
10. (1) The Minister may for the purpose of giving effect to the provisions of this Act take any action or issue any directions not specifically provided for herein in relation to any bonds or agreements made under this Act. General powers of Minister.
- (2) Without prejudice to the generality of subsection (1) the Minister may make regulations for giving effect to the provisions of this Act and the regulations may provide —
- (a) for the disposal of unclaimed monies payable in respect of any bond;
 - (b) for the fees to be paid in respect of anything to be issued or done under the provisions of this Act.
11. (1) The Minister may at the option of any holder of any debentures, loans or other securities of the Government raised or issued under any other Act agree with the holder for the conversion into bonds of such debentures, loans or securities. Power of Minister to authorise conversion of loans generally.

(2) Any conversion authorised under this section may be effected either by arrangement with the holders of existing loans and securities or by the purchase thereof out of monies raised by the sale of bonds or partly in one way and partly in the other.