

THE DEBENTURES (LOCAL) ACT

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THE DEBENTURES (LOCAL) ACT

[23rd May, 1925.]

Cap. 92.
Acts
52 of 1963,
42 of 1965,
10 of 1969.

1. This Act may be cited as the Debentures (Local) Act. Short title.

2.—(1) In this Act—

“the Special Act” means any enactment which shall be hereafter passed authorizing the Minister to raise money by way of loan and with which this Act shall be incorporated.

Interpreta-
tion.
10/1969
S. 2(a).
32/1963
S. 5.

(2) References in section 3 to debentures shall be deemed to include references to promissory notes and, accordingly, the provisions of paragraphs (4), (8), (9), (11), (12), (13), (21), (22), (24) and (26) of section 5 and sections 7, 8 and 9 shall apply, in relation to any promissory note issued pursuant to this Act as they apply to debentures, subject to the terms of the note and with such other modifications as may be necessary.

10/1969
S. 2(b).

3. In each and every case in which, by any enactment hereafter to be passed empowering the Minister to raise any sum or sums of money locally by way of loan with which this Act shall be incorporated, it shall be lawful for the Government to raise the same or any part thereof by the issue of debentures under the provisions of this Act:

Power of
Government
to raise
local loans
by issue of
debentures.
52/1963
S. 5.

Provided that nothing herein contained shall affect the power of the Minister to raise any such sum by the issue of inscribed stock, or local inscribed stock.

4. Any such debentures as aforesaid shall be deemed and styled “Debentures under the provisions of the Debentures (Local) Act, and the Special Act”, and thereupon the

How
debentures
are to be
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deemed.

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provisions hereinafter contained and set forth, save and except such part or parts thereof as may be expressly excepted or varied by the Special Act, shall apply to and regulate the issue of any such debentures and everything relating to them as if the several sections and provisions hereof were specially repeated and enacted in and by the Special Act.

When debentures issued locally provisions enumerated shall apply. 52/1963 S. 5.

5. In case the Minister shall determine to raise the whole or any part of any such sum as aforesaid, by the issue of debentures locally, the following provisions shall apply (that is to say)—

- (1) Every debenture shall be for a sum of not less than one hundred dollars and shall bear interest payable half-yearly at the rate fixed by the Minister for any issue of such debentures.
- (2) Every debenture issued in Jamaica shall be signed by the Financial Secretary and be countersigned by the Bank of Jamaica.
- (3) Every debenture issued in Jamaica shall, before being issued, be registered in a register book to be kept for that purpose at the Bank of Jamaica.
- (4) The interest upon the principal money secured by each debenture shall run from the day named in that behalf in the debenture, and shall be paid half-yearly on the days named in that behalf in the debenture out of the Revenues appropriated as hereinafter provided.
- (5) There shall be attached to every debenture, coupons for the payment of the interest to become due in each half-year upon the principal secured 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 is to run or for such limited period as the Minister may determine.

- (6) The debentures and the coupons thereto shall be in such form as the Minister may direct or approve.
- (7) Every debenture or coupon, and the right to receive the principal and interest secured or represented thereby shall be transferable by delivery.
- (8) So long as any of the debentures issued under the powers of borrowing conferred by the Special Act remain outstanding, the Minister shall, in each half-year ending with the day on which the interest on such debentures falls due, appropriate out of the Consolidated Fund and assets of this Island a sum equal to one half-year's interest on the whole of such debentures theretofore issued, including any which have been redeemed.
- (9) Out of the moneys so appropriated the Bank of Jamaica shall pay the then due half-yearly interest on such debentures as shall be then outstanding.
- (10) Debentures shall not be deemed to be outstanding for the purpose of this Act by reason only that one or more of the debentures have not been presented for payment on the day appointed for payment, and have, in consequence, not been paid.
- (11) After the day specified in the Act authorizing the loan as that on which the contributions to the sinking fund shall commence, the Minister shall, in each half-year ending as aforesaid, appropriate, out of the said Fund and assets of the Island for the formation of a sinking fund an additional sum equal to one-half of the annual

contributions specified in the prospectus, or, in the case of a loan not issued publicly, in the terms of issue relating to the loan in respect of the total nominal amount of the debentures issued, including any which may have been redeemed.

- (12) The sinking fund shall be applied in the first place in payment of all expenses of or incidental to the redemption of the debentures and the cost and expenses of all notices required by this Act or the Special Act to be given, and in the next place and subject to the aforesaid payments, in repayment of the principal moneys for the time being represented by the debentures.
- (13) Debentures issued under this Act shall, at the option of the Bank of Jamaica, subject to the direction of the Minister, be redeemed on a date to be named when issuing the debentures, or by purchase in the open market or by annual drawings.
- (14) In the case of debentures redeemable on a date to be named when issuing the debentures, the Bank of Jamaica shall remit to the trustees appointed pursuant to section 6 the money appropriated for the formation of a sinking fund as aforesaid and the trustees aforesaid shall invest that money in the purchase of such securities as may be approved by the Minister as a sinking fund for the final extinction of the debt, and the trustees aforesaid 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 Minister change any such investment, and shall hold such fund in trust for the repayment of the principal moneys for the time being represented by the debentures.

52/1963
S. 2 (a), (b)
(c),
S. 5.

- (15) In the case of debentures redeemable by annual drawings the Bank of Jamaica shall, with the approval of the Minister, place and keep at interest so much of the money appropriated as aforesaid for the payment of interest as may not be required for immediate payments together with the money appropriated for the formation of a sinking fund as aforesaid to apply those moneys in the first place 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.
- (16) After the date specified in the Special Act authorizing the loan as that on which the contributions to the sinking fund shall commence in respect of that loan, and so long thereafter as any of the debentures remain outstanding and unsatisfied, the Bank of Jamaica 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 day in that year for the drawing by lot of the debentures to be redeemed.
- (17) If a day is appointed for drawing, the Bank of Jamaica shall give by advertisement in the *Gazette* and in not less than two newspapers published in the Island not less than fifteen days' previous notice, specifying the days on which and the hours and place at which the drawings will take place, and the nominal amount of the debentures to be redeemed at those drawings respectively.
- (18) On the day and at the hour and place so specified the Bank of Jamaica shall hold a meeting (at which the holder of any debenture may if he think fit be present), and shall then, in the presence of such debenture holders (if any) as may attend,

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and of a Notary Public draw by lot, out of the whole number of debentures of that issue for the time being outstanding, debentures of the specified nominal amount.

- (19) The Bank of Jamaica shall thereupon declare the distinguishing numbers of the debentures drawn for redemption, and shall, as soon as may be, by advertisement in the *Gazette*, and in not less than two newspapers published in the Island, specify those numbers and the Special Act under which they were issued, and appoint a day not being later as to each debenture than the day on which the then current half-year's interest thereon is payable, on which the principal moneys secured by the debentures so distinguished will be repaid.
- (20) On the day so appointed, the Bank of Jamaica shall on demand pay to the holders of the debentures drawn for repayment the principal moneys secured by those debentures with all interest payable thereon up to that day.
- (21) From and after the day appointed for the repayment of any debenture all interest on the principal moneys secured thereby shall cease and determine whether payment of the principal shall have been demanded or not.
- (22) Upon the repayment of the principal moneys secured by the debentures, the debenture with all the coupons thereunto belonging shall be delivered up to the Bank of Jamaica to be cancelled and forwarded to the Auditor-General.

52/1963
S. 5.

Any debentures redeemed by purchase shall likewise be so cancelled and forwarded.

- (23) No money applied in redemption of a debenture shall be re-borrowed and no debenture shall be issued in respect of or in substitution for any cancelled debenture.
- (24) Debentures issued under this Act shall not be liable to stamp duty.
- (25) If any debenture shall become defaced or worn, or if the coupons thereunto attached shall have become exhausted, it shall be lawful for the Minister to cause a fresh debenture to be made in manuscript and issued instead of such old debenture; and the new debenture shall be of the same number and date as the old debenture, and shall correspond therewith in every respect, and shall be for all purposes in substitution therefor, but a note shall be made on the face thereof, shewing that it is a renewed debenture, and stating the date of such renewal, and the old debenture shall be cancelled in the presence of the Auditor-General, and deposited in his office. ^{52/1963}
S. 5.
- (26) Upon proof to the satisfaction of the Minister, that any debenture has been lost or destroyed before the same shall have been paid off and discharged, the Minister may direct that a new debenture, which shall bear the same number and date, and shall correspond in every respect with the debenture lost or destroyed, be given to the person entitled thereto; and if any debenture, so proved to have been lost or destroyed shall be due, the Minister may direct the same to be paid off:

Provided that in every such case the Minister shall cause notice to be inserted in the *Gazette*, for six consecutive weeks, of the particulars of such debentures and shall take good security to indemnify the public against any loss which might

otherwise be incurred in case any debenture, stated to have been lost or destroyed, should at any time afterwards be presented for payment, or interest should be claimed as due thereon.

Trustees
of sink-
ing fund.
52/1963
S. 3.
42/1965
S. 2.

6.—(1) The trustees of any sinking fund established pursuant to section 5 shall be the Trustees for Jamaica Government Securities established by the Local Registered Stock Act who shall have power to do all things necessary for the performance of the functions of trustees under this Act in like manner as they perform their functions under the Local Registered Stock Act.

(2) The Minister may give to the trustees such directions of a general character as to the policy to be followed by them in the performance of their functions under this Act as appear to the Minister to be necessary in the public interest.

Principal
and interest
charged and
payable out
of Consoli-
dated Fund.

7. The principal moneys and interest represented by the debentures issued under the provisions of this Act are hereby charged upon and shall be payable out of the Consolidated Fund and assets of the Government of Jamaica.

Principal
moneys to
be paid out
of Consoli-
dated Fund
when sink-
ing funds
insufficient.
52/1963
S. 5.

8. In case the sinking funds provided for by this Act shall be insufficient for the payment of all the principal moneys borrowed under the authority of this Act at the time the same shall have become due, the Minister shall make good the deficiency out of the Consolidated Fund and assets of this Island.

Sinking
fund to bear
expenses of
manage-
ment.

9. All expenses of or incidental to the management of the sinking fund or to the payment of the principal moneys borrowed shall be paid out of the sinking fund.

10.—(1) Where the Bank of Jamaica holds any sum for the purpose of paying—

- (a) the principal amount of any debenture due for redemption on a date named when the debentures were issued or pursuant to paragraph (20) of section 5; or

(b) interest accrued due on any debenture, and that sum is not claimed by the holder of the debenture within two years from the date on which that sum became due, the Bank of Jamaica shall, if the Minister so directs, pay that sum into the Consolidated Fund.

(2) Notwithstanding the payment of any sum into the Consolidated Fund pursuant to subsection (1), the Bank of Jamaica may pay to any person showing his right thereto to the satisfaction of the Bank the amount of any sum so transferred and the Minister shall thereupon direct, without further appropriation than that provided by this subsection, that the Bank be reimbursed from the Consolidated Fund.

Payment
into Con-
solidated
Fund of
unclaimed
moneys.
52/1963
S. 4.