

THE LOANS (LOCAL AUTHORITIES) ACT

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## THE LOANS (LOCAL AUTHORITIES) ACT

Law  
2 of 1958.

[17th February, 1958.]

1. This Act may be cited as the Loans (Local Authorities) Act. Short title.
2. In this Act— Interpreta-  
tion.
- “local authority” means the Parish Council of any parish of this Island and includes the Council of the Kingston and Saint Andrew Corporation and the National Water Commission;
- “registered stock” means registered stock of a local authority issued under the provisions of this Act.
- 3.—(1) A local authority may, with the approval of the Minister, raise loans from such sources within the Island and for such purposes as the Minister may authorize. Power to  
borrow.
- (2) Any loan approved under subsection (1), or any part of such loan, may be raised by the issue of stock or debentures or both, in such form and on such conditions as may be approved by the Minister, or by such other means as may be approved by the Minister; and the principal moneys and interest represented by any such loan are hereby charged upon and shall be payable out of the revenue and assets of the local authority. Loan to be  
charged  
upon assets  
of local  
authority.
- (3) The principal moneys and interest represented by any loan raised in accordance with the provisions of subsections (1) and (2) may be guaranteed by the Minister with the prior approval of the House of Representatives, Repayment  
of amount  
of principal  
moneys or  
interest  
guaranteed  
in default.

and thereupon, in the event of default in payment thereof by the local authority shall be charged upon and be payable out of the Consolidated Fund and assets of the Government of Jamaica.

Power to exempt from stamp duty upon transfer.

4.—(1) Wherever any loan is about to be raised by the issue of stock under the provisions of this Act by a local authority the Minister may by order declare that notwithstanding anything to the contrary no stamp duty shall be payable upon the transfer, whenever such transfer may occur, of any such stock issued within such period as may be specified in such order.

(2) Notwithstanding anything to the contrary, no order under subsection (1) shall be revoked or be amended in such manner as to render any stamp duty payable upon the transfer of any stock to which such order relates on which stamp duty would not have been payable if such transfer had occurred immediately before the amendment or revocation of such order.

Power of local authority to convert debentures.

5.—(1) Subject to the prior approval of the Minister, a local authority may—

- (a) declare that any debentures issued by such local authority, under this Act, are convertible, at the option of the holders thereof, into registered stock on such terms as may from time to time be determined;
- (b) authorize the creation of registered stock—
  - (i) in exchange for debentures issued by such local authority under the provisions of this Act; or
  - (ii) in order to raise money for the redemption of any outstanding loans, whether issued

before or after the coming into operation of this Act; or

(iii) for paying any expenses in the creation of registered stock; or

(iv) for carrying out the provisions of this Act.

(2) Any conversion authorized under this section may be effected either by arrangement with the holders of existing securities, or by purchase thereof out of moneys raised by the sale of registered stock, or partly in one way and partly in the other.

(3) Any power conferred on a local authority by this section may be exercised from time to time, and the local authority may alter any terms or conditions as often as the occasion may require:

Provided that any change in such terms or conditions shall be subject to the prior approval of the Minister:

Provided further that no contract or engagement previously entered into shall be prejudicially affected thereby.

6. Where debentures are exchanged for any registered stock under this Act any obligation imposed to make remittances or set aside sums of money, in respect of such debentures, shall cease, and such debentures on being cancelled in accordance with the provisions of section 7 shall be regarded for the purposes of this Act as if they had never been issued.

Exchange of debentures for stock.

7. Every security exchanged or otherwise converted into registered stock shall be forthwith cancelled on behalf of the relevant local authority by such person as may be appointed by the Minister.

Cancellation of converted debentures.

8. All fees payable under this Act shall be paid into the Treasury, and shall form part of the Consolidated Fund.

Payment of fees.

Regulations. **9.**—(1) For the purposes of any borrowing by a local authority by means of the issue of stock or debentures under this Act, stock or debentures may be issued, transferred, dealt with and redeemed in such manner as may be prescribed by regulations made by the Minister.

(2) Without prejudice to the generality of the power conferred by subsection (1) such regulations may provide for the payment of fees, the discharge of any loan raised under this Act and also for the consent of owners under disability:

Schedule. Provided that, until varied or revoked by any such regulations, the regulations contained in the Schedule shall be in force in respect of registered stock.

Saving. **10.** Save in so far as other provision is expressly made in this Act, nothing in this Act contained shall be deemed to affect the provisions of any other law relating to the raising of loans by local authorities.

SCHEDULE

(Section 9)

1. These Regulations may be cited as the Local Authorities Loans Regulations, 1957. Citation.
  
2. In these Regulations—
  - “Accountant-General” means the Accountant-General of Jamaica and his successors in office;
  - “Local Registrar” means the person appointed by regulation 7 of these Regulations to be Local Registrar;
  - “the Minister” means the Minister responsible for local government;
  - “stockholder” means the person holding registered stock and entered as proprietor thereof in the stock register kept under these Regulations.Interpretation.
  
3. Where a local authority is raising a loan, or part thereof, by the issue of registered stock (to be called by an appropriate name approved by the Minister) such stock shall from time to time be issued in the Island by the Local Registrar to such an amount and on such conditions as the Minister may before the issue thereof from time to time direct. Local authority raising loan by the issue of registered stock.
  
4. The Local Registrar shall keep records (hereinafter referred to as “the stock register”) in which shall be entered the names and addresses of holders from time to time of stock, and the amount held by them. Stock register.
  
5. The stock register shall be *prima facie* evidence of any matter entered therein in accordance with these Regulations, and of the title of the persons entered therein as holders of stock. Prima facie evidence of contents of stock register.
  
6. There shall be entered in the stock register—
  - (a) all registered stock of every local authority, at the time of issue;
  - (b) all transfers of, and dealings in, such stock under the provisions of the Act and of these Regulations;
  - (c) all matters required by these Regulations to be entered in the stock register.Entries in stock register.
  
7. The Accountant-General or such other person as the Minister may from time to time appoint shall be the Local Registrar under these Regulations and he shall have the custody of, and be responsible for, the stock register. Accountant-General to be Local Registrar. L.N. 241/1964.
  
8. A printed copy of these Regulations and all amendments thereto, and of the documents containing the authority for, and conditions of, the issue of registered stock, shall be entered in the stock register. Matters to be registered.
  
9. The Local Registrar shall with the approval of the Minister fix the fees to be paid on the transfer of registered stock and in Powers of Local Registrar.

respect of the issue of certificates and may after consultation with the relevant local authority make arrangements in relation to—

- (a) the registration and issue of registered stock created by the local authority under the provisions of the Act;
- (b) the payment of interest on such stock;
- (c) the management, transfer and registration of transfers of such stock; and
- (d) all dealings generally in such stock:

Provided that no such arrangement shall vary the terms on which such stock is issued and that no contract or engagement previously entered into in relation to such stock shall be prejudicially affected thereby.

Certificate to stockholders.

10. Where any registered stock is issued to any person under the provisions of these Regulations, such person shall be entitled to a certificate, under the hand of the Local Registrar of his title to such stock: Provided that no person shall be registered as the holder of any registered stock until that stock is fully paid up.

Information to be made available to the public.

11.—(1) The Local Registrar shall keep, in a separate book, a list of the stockholders on whose stock the dividends have been unclaimed for ten years and upwards, together with their registered addresses and description, and such list shall be open for inspection at the usual hours of transfer upon payment of a fee of ten cents.

(2) The Local Registrar shall give, within a reasonable time after application, a certificate stating the following particulars, or such as may be required by the applicant, relating to registered stock—

- (a) the total amount of such stock issued;
- (b) the total number of persons in whose names any stock, or part thereof, is originally registered, or, after the register of such stock, or part thereof, has been once closed as regards transfers, the total number of stockholders at the last preceding date at which the transfer books were closed;
- (c) the total number of each class of persons in whose names the stock, or part thereof, is originally registered, or, after the register of such stock, or part thereof, has been once closed as regards transfers, the total number of each class of stockholders at the last preceding date at which the transfer books were closed. The classification shall be according to the amounts held, omitting fractions of two hundred dollars;
- (d) a copy, or extract certified by the Local Registrar, or by some officer appointed by him for the purpose, to be a true copy or extract of all matters required by these Regulations to be entered in the stock register:

Provided always that the Local Registrar shall not be required to give any such certificate in relation to any registered stock until after

the expiration of one month after the stock, or any part thereof, to which the certificate refers has been registered.

(3) Within a reasonable time after the application of any person who is a stockholder of registered stock, the Local Registrar shall give him a list of the registered names and addresses of the stockholders of such stock at the last preceding date at which the register was closed as regards transfers.

(4) The Local Registrar, before giving a certificate or list under this regulation may demand payment of a fee not exceeding ten cents and a further sum of five cents for every folio of seventy-two words.

(5) Any certificate or list given under this regulation, and duly certified under the hand of the Local Registrar, shall be admitted in evidence.

12.—(1) Where registered stock is standing in the name of an infant, or person of unsound mind, jointly with any person not under legal disability, a letter of attorney for the receipt of dividends on such stock shall be sufficient authority in that behalf, if given under the hand and seal of the person not under disability, and duly attested.

Infants, persons of unsound mind and joint owners.

(2) The Local Registrar may nevertheless require proof to his satisfaction of such infancy or unsoundness of mind, by the declaration of competent persons made under the Voluntary Declarations Act, or in such manner as is provided by law.

(3) Where any registered stock is standing in the name of two or more persons and any of such persons die, a receipt by the survivor or survivors of such persons shall be a valid discharge for the payment of the principal or any interest in respect of such stock.

13. No notice of any trust in respect of any registered stock shall be entered in the stock register, or receivable by the Local Registrar or by the local authority concerned.

No notice of trust to be received or registered.

14. If any stock certificate issued under these Regulations is lost, mislaid, or destroyed, the Local Registrar may, on such indemnity being given as he may reasonably require and on payment of a fee of twenty-five cents issue a fresh stock certificate in the place of the certificate so lost, mislaid, or destroyed.

Renewing lost certificate.

15. Where a stockholder is required to sign his name to any deed of transfer or other document, it shall be sufficient, where such stockholder is a corporation, that the corporate seal, authenticated by the signature of the secretary or other principal officer of such corporation, be affixed to such deed of transfer or other document:

Signature by corporation.



Provided that any change in the person of such secretary or officer shall from time to time be notified to the Local Registrar, and there shall be forwarded with such notification a specimen of the usual signature of such secretary or officer and such specimen shall be under the corporate seal of the corporation and shall be witnessed by the signature of the chairman of directors or other principal governing member of the corporation.

Transfer of  
stock.

16.—(1) Registered stock shall be transferred by instrument in writing in such form as may be specified from time to time by the Local Registrar, executed by all parties to the transfer and delivered to, and retained by, the Local Registrar.

(2) No person shall be registered as a transferee of any registered stock except upon payment of a fee fixed in accordance with the provisions of regulation 9 and upon surrender to the Local Registrar of the stock certificate and the instrument of transfer.

(3) The Local Registrar shall issue—

- (a) to the transferee, a certificate of his title to the amount of stock transferred; and
- (b) to the transferor, a certificate of the balance of the amount of stock to which he is entitled, if any.

(4) The executors or administrators of a deceased stockholder shall alone be recognized by the Local Registrar as having any title to the stock, or any dividend thereon, passing on the death of such stockholder.

(5) Any person who becomes entitled to any registered stock in consequence of the death, bankruptcy, or marriage, of the stockholder, or in any way except by the transfer of such stock, shall produce such evidence of his title as may reasonably be required by the Local Registrar: Provided that the person so becoming entitled to such stock may transfer such stock to another person without being registered himself.

Closing of  
stock  
register.

17.—(1) The Local Registrar may, for a period not exceeding fourteen days previous to each payment of dividend on any registered stock issued under the Act, close the register of that stock as regards transfers, upon giving not less than seven days' notice of such closing by advertisement in the *Gazette* and in one other newspaper published in the Island.

(2) The persons who on the day of such closing are registered as stockholders shall, as between them and their transferees, be entitled to the dividend when next payable thereon.

Repayment  
of principal.

18.—(1) All registered stock which is created under the provisions of the Act shall be redeemable at par on a date to be named in that behalf by the Local Registrar when issuing such stock, such date not being later than sixty years from the date of issue: Provided that

the Local Registrar may reserve the option to redeem such stock in whole or in part, by drawings or otherwise, at any time prior to such date on such conditions as may be declared at the time of issue.

(2) From and after the date appointed for the redemption of such stock, or any part thereof, all the interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal has been demanded or not.

19.—(1) Interest at the rate approved at the time of issue of such stock, shall be payable on registered stock half-yearly by the Local Registrar on behalf of the relevant local authority. Interest and payment thereof.

(2) So long as interest continues to be payable on any registered stock the local authority shall, in each half-year ending with the day on which the interest on such registered stock falls due, appropriate, out of its revenue and assets, a sum equal to one half-year's interest on the whole of such registered stock, and shall deposit such sum in the Treasury of the Island on or before the due date for payment of interest, and authorize the Local Registrar to pay thereout the then current half-year's interest when it falls due. Interest on stock to be met out of the funds of the local authority.

20.—(1) The local authority shall also, in the half-year ending on the date specified in the terms of issue of the loan as that on which the first contribution to the sinking fund shall be taken, and in each subsequent half-year, appropriate out of its revenue and assets for the formation of a sinking fund an additional sum, equal to not less than one-half of the annual contribution specified in the terms of issue in respect of the total nominal amount of such registered stock, and shall remit that sum to the Local Registrar who shall be the trustee of such fund: Sinking fund for redemption of stock.

Provided that if at any time the trustee of the sinking fund of any loan issued under the provisions of the Act is satisfied that the value of the fund will be sufficient, with further accumulations of interest but without further payment of contributions, to enable the loan to be redeemed out of the proceeds of the sinking fund not later than the final redemption date, the local authority may, with the approval of the Minister, suspend further contributions to such sinking fund:

Provided further that contributions to the sinking fund shall be recommenced if the trustee at any time inform the local authority that such action is necessary.

(2) The Local Registrar shall, for the purpose of forming such sinking fund, from time to time place at interest or invest the money so remitted to him in the purchase of such securities as may from time to time be approved by the Minister, and shall also place at interest or 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 investments, and shall

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hold such fund in trust for repayment of the principal moneys for the time being represented by the registered stock.

Expenses of sinking fund.

21. All expenses of, or incidental to, the management of the sinking fund, or to the repayment of the principal moneys borrowed, shall be paid out of the sinking fund.

Insufficiency of sinking fund.

22. Where the sinking fund is insufficient to provide the necessary funds for the redemption of any registered stock when it becomes due, the deficiency shall be made good out of the revenue and assets of the local authority, and the local authority is hereby authorized to set aside sufficient funds to make good the deficiency.

Cancellation of converted debentures.

23. Every security exchanged or otherwise converted into registered stock shall be forthwith cancelled on behalf of the relevant local authority by the Local Registrar and kept by him.