

THE LOANS (CANADA, UNITED STATES OF
AMERICA AND OTHER SPECIFIED COUNTRIES)
ACT

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ACT

Laws
2 of 1957,
6 of 1962.
Acts
35 of 1967,
18 of 1972.

[4th February, 1957.]

1. This Act may be cited as the Loans (Canada, United States of America and other Specified Countries) Act. Short title.

PART I. *Introductory*

2.—(1) In this Act—

“Agents” means the Agents appointed by the Minister pursuant to section 4;

Interpreta-
tion.

35/1967
S. 2 (b).

“country of issue” means Canada or the United States of America or both such countries, as the case may be;

“dollars” means dollars current in Canada or in the United States of America whether the country of issue is Canada or the United States of America or both such countries;

35/1967
S. 2 (a).

“stock” means registered stock, that is to say, stock transferable by instrument in writing.

(2) References in sections 5 and 6 to debentures shall be deemed to include references to promissory notes and, accordingly, the provisions of Parts II and IV 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.

35/1967
S. 2 (c).

3.—(1) Subject to subsection (2) this Act shall be applicable to the raising of loans in Canada and the United States of America but nothing herein shall prevent the

Applica-
tion.
6/1962
S. 3 (a), (b).

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raising by the Government of loans in the Island, in England or in any other country upon such terms and conditions as shall be specified in any enactment authorizing the raising of such loans.

6/1962
S. 3 (c).

(2) The Minister may from time to time where he is satisfied that it is expedient so to do by order declare that this Act shall be applicable to the raising of loans in any country named in the order and thereupon the provisions of this Act shall—

- (a) subject to any adaptations or modifications specified in the order apply as respects such country in like manner as they apply in the case of Canada or the United States of America; and
- (b) be construed as if any reference to country of issue therein included a reference to such country.

18/1972
S. 2.

(3) For the purposes of this Act the Minister may by directions in writing deem a loan to be raised in a country if—

- (a) the debentures, notes or stock as the case may be, evidencing the obligations in respect of that loan are authenticated or issued in that country; or
- (b) the Government receives the proceeds of the loan against the delivery of the debentures, notes or stock as the case may be, relating to that loan, in that country.

Power to
appoint
Agents.

4. It shall be lawful for the Minister to appoint such persons in the country of issue as he may think fit to exercise the powers and perform the duties of the Agents under this Act and the Minister may, pursuant to this power, appoint different persons to exercise different powers or perform different duties.

5.—(1) Whenever by any enactment authority shall be given to raise a loan in Canada or the United States of America or in both such countries for the purposes mentioned in such enactment, the Government may, from time to time, raise such sum in dollars either by debentures or by stock or partly by debentures and partly by stock.

Raising of loans by debentures and stock.

(2) For the purpose of raising the loan the Government may take such steps as may be necessary to secure a listing for the securities issued on Stock Exchanges in the country of issue.

(3) The Government may enter into a contract with the Agent or any other person for the underwriting of the loan.

6. The principal moneys and interest represented by the debentures or stock 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.

Principal moneys and interest charged upon the Consolidated Fund and assets of the Government.

PART II. *Debentures*

7. When the Government shall deem it expedient to raise money by debentures, such debentures shall be issued in the country of issue by the Government upon such terms and conditions, not inconsistent with the provisions of this Act, as may be deemed advisable by the Government.

Issue of debentures.

8. Debentures issued under the provisions of this Act shall be issued in such denomination or denominations as shall be approved by the Government.

Value of debentures.

9. All debentures issued under the provisions of this Act shall be redeemable on a date to be named in

Redemption of debentures.

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that behalf by the Agents when issuing the debentures, such date not being later than sixty years from the date of issue:

Provided that the Government may reserve the option to redeem debentures, by drawings, purchase or otherwise, at any time prior to such date on such conditions as may be declared at the time of issue.

Form of
debentures
and
coupons.

10. The debentures and any coupons thereto shall be in such form as the Government may direct or approve.

Transfer-
ability of
debentures,
interest
and
coupons
therefor.

11.—(1) Debentures issued under this Act and the right to receive the principal represented thereby may be transferable either by registration or by delivery.

(2) There shall be attached to every debenture transferable by delivery coupons for the payment of the interest to become due upon the principal represented by the debenture and such coupons, together with the right to receive the interest represented thereby, shall themselves be transferable by delivery.

(3) There may be attached to debentures transferable by registration coupons which, together with the right to receive the interest represented thereby, shall themselves be transferable by delivery.

Interest on
debentures.

12.—(1) So long as any debentures remain outstanding, the Government shall, before the day on which the interest on such debentures falls due, appropriate out of the Consolidated Fund and assets of the Government such sum as will enable the Agents to pay the interest on the day when it falls due and shall remit the necessary funds to the Agents accordingly.

(2) The interest upon the principal represented by each debenture shall run from the day named in that

behalf in the debenture and shall be paid by the Agents on the days named in that behalf in the debenture:

Provided that, if the debenture has coupons attached thereto representing interest falling due, such interest shall be paid on or after the date named therein only upon presentation and surrender of the coupon representing the interest then due.

13. So long as any debentures remain outstanding, the Government shall set aside each year such contributions to a sinking fund as may be declared at the time of issue, and such contributions shall be remitted to the Agents either to be applied for the redemption of the debentures or to be invested and accumulated for that purpose.

Sinking fund.

14. From and after the day appointed for the repayment of any debenture all interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal shall have been demanded or not.

When interest shall cease.

15. Upon the repayment of the principal moneys represented by any debenture, the debenture, with all the coupons, if any, thereunto belonging, shall be delivered up to the Agents, to be by them cancelled and disposed of in such a manner as the Government may direct. Any debenture redeemed by purchase shall likewise be so cancelled and disposed of.

Cancellation of debentures.

PART III. *Stock*

16. When the Government shall deem it expedient to raise money by the issue of stock, such stock shall be issued in the country of issue by the Government upon such terms and conditions, not inconsistent with the provisions of this Act, as may be deemed advisable by the Government.

Issue of stock.

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Redemp-
tion of
stock.

17. All the stock which may be created under the provisions of this Act shall be redeemable on a date to be named in that behalf by the Agents when issuing the stock, such date not being later than sixty years from the date of issue:

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

Interest on
unredeemed
stock.

18. So long as any of the stock remains unredeemed, the Government shall, before the day on which the interest on such stock falls due, appropriate out of the Consolidated Fund and assets of the Government such sum as will enable the Agents to pay the interest on the day when it falls due and shall remit the necessary funds to the Agents accordingly.

Sinking
fund.

19. So long as any of the stock remains unredeemed the Government shall set aside each year such contributions to a sinking fund as may be declared at the time of issue, and such contributions shall be remitted to the Agents either to be applied for the redemption of the stock or to be invested and accumulated for that purpose.

When
interest
shall
cease.

20. From and after the date appointed for the redemption of the stock or any part of it all the interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal shall have been demanded or not.

PART IV. *General*

21. The Agents may from time to time, on the direction of the Government, make arrangements for all or any of the following matters—

The Agents may make arrangements for certain matters.

- (a) for managing the registration and issue of debentures;
- (b) for managing the registration and issue of stock, including the issue of certificates of title in respect of such stock;
- (c) for paying interest on debentures and stock;
- (d) for managing the transfers of registered debentures and of stock;
- (e) for issuing stock certificates to bearer and, as often as occasion shall require, re-registering them;
- (f) such other matters as may be necessary or desirable for carrying into effect the purposes of this Act.