

THE LOANS (NATIONAL DEVELOPMENT  
BONDS) ACT

Act  
7 of 1968.

[23rd February, 1968.]

1. This Act may be cited as the Loans (National Development Bonds) Act. Short title.

2. In this Act—

Interpreta-  
tion.

“Bank” means the Bank of Jamaica established by the Bank of Jamaica Act;

“bonds” means National Development Bonds created pursuant to section 3;

“commercial bank” means a company duly licensed in accordance with the Banking Act, to carry on banking business.

3.—(1) Subject to the provisions of subsection (2), the Minister is hereby authorized to raise from time to time as may be convenient, sums of money by the creation and issue of securities termed “National Development Bonds”. Authority  
to raise  
money.

(2) No sum of money shall be raised under this Act unless, on the day on which that sum is raised, that sum and all principal moneys remaining unpaid in respect of all other sums previously raised under the authority of this Act do not exceed—

(a) the sum of ten million dollars; or

(b) such greater amount as may from time to time be approved by the House of Representatives by resolution.

Terms  
and  
conditions  
of bonds.

4. Each series of bonds shall bear such rate of interest and shall be subject to such terms and conditions as the Minister may direct before the issue thereof, and without prejudice to the foregoing, may be issued at such rate of discount as the Minister may approve.

Interest  
on bonds  
exempt  
from  
income  
tax.

5. Any interest payable or other sum accruing in respect of a bond to the holder of such bond shall, in the hands of the holder or in the hands of a person entitled to receive it on his behalf, be exempt from income tax.

Trustees  
of sinking  
fund.

6.—(1) Where the terms and conditions of issue of any series of bonds include provisions for the establishment of a sinking fund the trustees of any such sinking fund 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.

Charge on  
Consoli-  
dated Fund.

7. There shall be charged on and paid out of the Consolidated Fund—

- (a) the expenses of issue of the loan or any part thereof;
- (b) the principal moneys represented by securities issued pursuant to this Act;
- (c) any interest payable or other sum accruing in respect of such securities; and

- (d) where provisions are made pursuant to this Act for the establishment of a sinking fund, any payments to such sinking fund.

8.—(1) Bonds shall be issued on behalf of the Government by the Bank, commercial banks and such other persons as may from time to time be approved by the Minister by notice published in the *Gazette*. Issue, registration and repayment of bonds.

(2) The Bank on behalf of the Government shall be responsible for the registration and repayment of bonds.

(3) There shall be paid to the Bank out of the Consolidated Fund such sums as may be agreed upon between the Minister and the Bank in respect of the exercise in any financial year of the functions of the Bank under this Act.

9.—(1) Subject to the provisions of this section, the Minister may make regulations for the purposes of this Act and in particular, but without prejudice to the generality of the foregoing provisions, as to the manner in which, and conditions under which, any moneys may be raised pursuant to this Act and as to the fees which may be charged in respect of the replacement of bonds. Power of Minister to make regulations.

(2) Regulations made under this Act shall be subject to affirmative resolution of the House of Representatives.