

THE LOANS (NATIONAL DEVELOPMENT BONDS) ACT

REGULATIONS
(under section 9)

The Loans (National Development Bonds) Regulations, 1968

L.N. 100/68

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(Made by the Minister on the 24th day of February, 1968)

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1. These Regulations may be cited as the Loans (National Development Bonds) Regulations, 1968. Short title.

2. In these Regulations—

Interpretation.

“issuing agencies” means the Bank of Jamaica, the Workers Savings and Loan Bank, the National Savings Committee, Commercial banks and such other persons as may be approved by the Minister under subsection (1) of section 8 of the Act for the purpose of issuing bonds;

“multiple bond” means a bond representing any number of unit bonds and entitling the holder to receive the aggregate amount of sums repayable in respect of that number of unit bonds;

“unit bond” means in respect of each series of bonds, a bond issued on payment of the minimum amount for which a bond of such series is issued.

3. Every bond of any series shall be in the form approved by the Minister in respect of that series and shall be registered at the Bank. Form and registration.

4. Subject to regulations 10 and 11, every bond shall mature on the date of maturity stated in the Bank's register of bonds in respect to that bond and save as permitted by regulation 11 shall not be transferable. Nature of bonds.

5.—(1) Bonds shall be issued in units of \$2.00 or such other units as the Minister may direct in respect of any series of bonds and shall be made available for purchase at issuing agencies in such denominations as the Minister may from time to time determine. Denomination and sale of bonds.

(2) Bonds of the same series and bearing the same issue date may, at the request of the holder and if the Bank so approve, be consolidated and replaced by a new multiple bond of a nominal value

equivalent to the total nominal value of the consolidated bonds, so, however, that such multiple bond shall bear the same issue date as the consolidated bonds.

Application
for bonds.

6. An application to purchase a bond shall be made in such manner as the Bank may require and for the purposes of any such application the applicant shall deliver to the issuing agency such documents and other information in writing as the issuing agency may require.

Capacity to
hold bonds.

7.—(1) A bond may be purchased and held—

- (i) by any person of the age of sixteen years and upwards who is not under any legal disability or is so only by reason of his not having attained the age of twenty-one years; or
- (ii) jointly by any two such persons; or
- (iii) jointly by any such person and any person under the age of sixteen years; or
- (iv) by a charitable institution, a trade union, the trustees of any superannuation fund approved under the Income Tax Act, a friendly society, a co-operative society or any other body of persons which the Minister may approve for the purpose either generally or with respect to a particular purchase which is not liable to income tax under the Income Tax Act.

(2) Subject to the provisions of these Regulations, a bond may be purchased on behalf of and in the name of a person under the age of sixteen years by his parent or guardian or by any person who satisfies the Bank that he is a proper person to act on behalf of the first-mentioned person; and any bond so purchased shall be deemed to be held by the person on whose behalf it is purchased.

(3) Where a bond has been purchased on behalf of a person who was, at the date of the purchase, under the age of sixteen years, the Bank may, at any time after that person has attained the age of sixteen years, require a specimen of his signature.

Maximum
holding of
bonds.

8.—(1) A person shall not—

- (a) save as permitted by regulation 7, purchase any bonds as a nominee of any other person; or
- (b) save as permitted by this regulation, purchase any bonds or hold, or have any interest in any bond purchased on his behalf, if the total value of bonds which will be held by

him or in which he will have an interest, immediately after the purchase (whether solely or jointly with any other person), will exceed—

- (i) in the case of an individual, \$7,000: in respect of any one series of bonds or such other amount as the Minister may direct;
- (ii) in the case of a person other than an individual, \$40,000: in respect of any one series of bonds or such other amount as the Minister may direct.

(2) In calculating for the purposes of this regulation the total number of bonds which a person holds or in which he has an interest—

- (a) a multiple bond shall be taken to be such number of unit bonds as is represented by the multiple bond;
- (b) there shall be left out of account—
 - (i) bonds acquired pursuant to regulation 11 consequent upon the death of a holder of bonds;
 - (ii) bonds acquired in accordance with and subject to an offer of conversion made to the holders of National Savings Bonds in the terms of issue of any series of National Development Bonds;
 - (iii) bonds acquired in accordance with and subject to an offer of conversion made to the holders of any series of National Development Bonds in the terms of issue of any other series of National Development Bonds.

9.—(1) Subject as hereinafter provided, if any person—

- (a) not being a person entitled under regulation 7 so to do, purchases, holds or has any interest in a bond; or
- (b) purchases, holds or has any interest in any bond in contravention of regulation 8,

Cancellation of bonds held by unqualified persons.

the registration of that bond shall, if the Bank so directs be cancelled or altered or otherwise dealt with but without prejudice to the right of the person entitled thereto to repayment of the purchase price of the bond.

(2) Notice of any cancellation under this regulation shall be sent to the person concerned as soon as may be and the Bank may require any bond which may be so affected, or any documents issued in lieu of such bond to be delivered up to the Bank for the purpose of being cancelled or altered or otherwise dealt with as may be necessary to give effect to the provisions of these Regulations.

Encashment
of bonds.

10.—(1) The holder of a bond may apply for repayment at any time and the Bank shall, on production of the bond, repay, in cash or by cheque, the amount of the bond together with any interest payable or other sum accrued on the bond in accordance with the terms of issue of the bond:

Provided that the Bank may, in its discretion—

(a) require the production of such other documents and information as it thinks fit; and

(b) require a period of notice (not being more than six days), before making payment as aforesaid.

(2) In the case of a multiple bond an application may be made for repayment in respect of any number of the unit bonds represented by the multiple bond.

(3) The holder of a bond being a person of the age of sixteen years or upwards may, subject to the approval of the Bank, authorize any person to apply for or receive on his behalf the sum repayable in respect of the bond.

(4) Where a bond is held by a person under the age of sixteen years payment in respect of the bond shall not be made to him but shall be made to, and on the application of, any other person who satisfies the Bank that he is a proper person to receive the payment.

(5) Where a bond is held in the joint names of two persons each of whom is over the age of sixteen years it may be encashed on the signature of either party. Where a bond is held in the joint names of two persons one of whom is not over the age of sixteen years it may be encashed only on the signature of the holder who is over the age of sixteen years.

(6) An application for payment of the sum repayable in respect of a bond held by a person of unsound mind shall be made by his committee.

(7) Where it is shown to the satisfaction of the Bank that any person holding a bond is a person of unsound mind for whose estate no committee has been appointed, the Bank may, if it thinks fit, pay the whole or any part of the sum repayable in respect of the bond to any person who satisfies it that he is a proper person to receive payment.

(8) Where it is shown to the satisfaction of the Bank that a receiving order has been made against any person who is the holder of a bond, or that a trustee has been appointed in the bankruptcy of any

such person, the Bank may, if it thinks fit, on an application made in that behalf by the Receiver or trustee, pay to the Receiver or trustee, as the case may be, the sum repayable in respect of the bond.

(9) The Bank may, before making any repayment in respect of a bond, require the applicant for payment to submit such documents as it may, in any case, see fit.

11.—(1) In the event of the death of the holder of a bond, the production of probate or letters of administration granted, or having effect as if granted, in respect of personal estate comprising the bond by a court of competent jurisdiction or of a certified copy thereof, shall, subject to the provisions of these Regulations, be sufficient authority to the Bank—

Payment or transfer under grant of representation.

(a) to pay the sum repayable in respect of the bond to the person to whom the grant was made, or as directed by that person; or

(b) at the option of that person, to transfer the bond—

(i) to that person; or

(ii) as directed by that person, to a person who, under the probate or letters of administration, succeeds to a beneficial interest in the bond.

(2) The Bank may, for the purpose of carrying out the provisions of this regulation, issue a new bond in place of the original bond, so, however, that such new bond shall bear the issue date of the original bond.

12. The issue date of a bond shall be the day of the month and year in which payment for the bond is received by the issuing agency.

Issue date of bonds.

13.—(1) Bonds which have been destroyed, mutilated, lost or stolen may be replaced with bonds of equal denomination subject to such terms and conditions as the Bank may deem fit to impose and subject to the payment of a fee of ten cents in respect of each bond so issued in replacement, so, however, that such new bonds shall bear the issue date of the original bonds.

Loss and destruction of bonds.

(2) The Bank may attach to the issue under this regulation of any bond such conditions as to indemnity or otherwise as it thinks fit.

14.—(1) Where in the case of the purchase, encashment or maturity of a bond any document is required to be completed and signed by any person, then in the case of a person unable to write the document

Signature and authentication of documents.

shall be sufficiently completed and signed if prepared by some other person on his behalf and in the presence of a competent witness the documents is read over to the person unable to write and he expresses his agreement thereto and appends his mark in the presence of that witness who shall attest the mark so appended.

(2) For the purposes of this regulation "competent witness" means any of the following persons, if normally resident in the Island—

- (a) a Member of Parliament;
- (b) a Minister of Religion;
- (c) a Justice of the Peace;
- (d) a Bank Manager, accountant, chief clerk, or senior clerk of the Bank or any commercial bank;
- (e) a qualified medical practitioner, dentist, barrister or solicitor;
- (f) a police officer or sub-officer not below the rank of sergeant;
- (g) a registered teacher in a primary school or secondary school;
- (h) a postmaster;
- (i) a member of the National Savings Committee referred to in the Loans (National Savings Bonds) Regulations or of any Parish Committee or other committee appointed by such National Savings Committee;
- (j) a community development officer of the Sugar Industry Labour Welfare Board.

Persons
under dis-
ability.

15.—(1) If any person holding any bond is of unsound mind or is otherwise under legal disability, anything which under these Regulations is required or authorized to be done by or to the holder of the bond shall or may be done by or to the committee of, or other person having power in law to administer, his estate.

(2) Nothing in this regulation shall affect any other provision of these Regulations relating to persons under the age of twenty-one years.

Payment
into the
Consoli-
dated Fund
of
unclaimed
moneys.

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

- (a) the principal amount of any bond due for redemption; or
- (b) any interest payable or other sum accruing on any bond, and that sum is not claimed by the bondholder within two years from the date on which that sum became due, the Bank 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 paragraph (1), the Bank 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 paragraph, that the Bank be reimbursed from the Consolidated Fund.

(3) Where the principal amount of any bonds due for redemption is transferred to the Consolidated Fund pursuant to paragraph (1), the Bank shall publish once weekly for a period of four weeks, in the *Gazette* and in at least one daily newspaper printed and circulating in Jamaica, a notice showing the name of the holder and the serial number of such bond, and the amount so transferred.

17.—(1) The Bank or any of its officers shall not be liable for any act done in good faith and without negligence in accordance with these Regulations, and the receipt of the person to whom money is paid or repaid shall be a full discharge to the Bank for the amount paid or repaid.

Indemnity
of the
Bank and
its
officers.

(2) Nothing in this regulation shall operate to prevent the recovery by any person or his representatives of any money lawfully due to him from the person to whom that money was paid by or under the direction of the Bank, or from the representatives of that person, or affect the right which any person or his representatives may have in respect of a bond against a third party.