

THE LOANS (AMENDMENT) BILL
(No. IX Of 2004)

Explanatory Memorandum

The object of this Bill is to amend the Loans Act to provide for -

- (a) the raising of loans by Treasury Notes; and
- (b) the conversion of Treasury Bills into Treasury Notes.

16 April 2004

P.K. JUGNAUTH
Deputy Prime Minister and Minister of Finance
and Economic Development

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ARRANGEMENT OF CLAUSES

Clause

- 1. Short title
- 2. Interpretation
- 3. Section 2 of principal Act amended
- 4. Section 24A added to principal Act
- 5. Part IVA added to principal Act
- 6. Section 26 of principal Act amended

A Bill

To amend the Loans Act

ENACTED by the Parliament of Mauritius, as follow -

1. Short title

This Act may be cited as the Loans (Amendment) Act 2004

2. Interpretation

In this Act -

“principal Act” means the Loans Act.

3. Section 2 of principal Act amended

Section 2 of the principal Act is amended by inserting the following definition in its appropriate alphabetical order -

“Note” means a Treasury Note issued under section 24C;

4. Section 24A added to principal Act

The principal Act is amended by inserting immediately after section 24, the following new section -

24A Conversion of Bills

Notwithstanding sections 21 and 24C, the Minister may, on or before the redemption date and on such terms and conditions as he thinks fit, authorise the conversion of a Bill into a Note.

5. Part IVA added to principal Act

The principal Act is amended by inserting immediately after Part IV, the following new Part -

PART IVA – ISSUE OF TREASURY NOTES

24B Power to borrow by the issue of Notes

The Minister may raise loans by the issue of Treasury Notes.

24C Issue of Notes

(1) Every Note shall -

- (a) be issued by the Bank in such form and subject to such conditions as may be approved by the Minister;
- (b) be in such multiples and currencies as may be determined by the Bank and approved by the Minister;
- (c) be payable at par at the Bank; and
- (d) specify the date of its maturity.

(2) A Note may be redeemed before the date of its maturity, on such terms and conditions as may be agreed.

24D Price of Notes

The price of Notes shall be fixed by the Minister, after consultation with the Bank.

24E Proceeds to be paid into Consolidated Fund

The proceeds of the issue of Notes shall be paid into the Consolidated Fund.

24F Cancellation of Notes

Every note shall, on redemption, be cancelled by the Bank on behalf of the Government.

24G Conversion of Notes

Notwithstanding section 24C, the Minister may, on or before the redemption date and on such terms and conditions as he thinks fit, authorise the conversion of a Note into another Note.

6. Section 26 of principal Act amended

Section 26 of the principal Act is amended by deleting the words “certificate or a Bill” and “certificate or Bill” wherever they appear, and replacing them by the words “certificate, Bill or Note”.