



BELIZE

**LOCAL PUBLIC LOANS ACT
CHAPTER 80**

**REVISED EDITION 2011
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CHAPTER 80

LOCAL PUBLIC LOANS

Ch. 51,
R.L., 1958
CAP. 62,
R.E. 1980-1990
38 of 1963.
40 of 1963.
21 of 1972.
S.I. 44 of 1966.

[26th February, 1949]

- Short title. **1.** This Act may be cited as the Local Public Loans Act.
- Interpretation. **2.** In this Act “register” includes any book kept by the Accountant General under the provisions of this Act.
- Scope. **3.** This Act shall be applicable only to loans raised in Belize.
- Loans to be raised by debentures. 40 of 1963. **4.** Whenever by an Act authority is given to the Minister to raise any sum of money for the purposes mentioned in the Act, the Minister may from time to time, as he may deem expedient, raise such sum or any part thereof by debentures issued under the provisions of this Act.
- Loans to be a charge upon Consolidated Revenue Fund. **5.** The principal monies and interest represented by the debentures are hereby charged upon and shall be payable out of the Consolidated Revenue Fund and assets of Belize.
- Borrowing upon debentures. 38 of 1963. 40 of 1963. **6.** The debentures shall be issued in Belize upon the best and most favourable terms that can be obtained and shall be signed by the persons holding the offices of Financial Secretary and Accountant General for the time being, or by any other person or persons thereto specially authorised by the Minister.
- Amount of each debenture. 21 of 1972. **7.** Each debenture may be for a sum of ten dollars, fifteen dollars, twenty dollars, twenty-five dollars, fifty dollars, one hundred dollars, five hundred dollars, two thousand dollars, or five thousand dollars.

8. The debentures shall be redeemable either,

- (a) at par on a fixed date to be declared on the issue of the debentures, such date not being later than sixty years from the date of issue:

Debentures may be either fixed date or drawing debentures.
40 of 1963.

Provided that the Minister may reserve the option to redeem the debentures prior to such date on such conditions as may be declared at the time of issue (such debentures being hereinafter referred to as fixed-date debentures); or

- (b) by annual drawings at par or at the option of the Minister by purchase in the market as provided in section 14 of this Act (such debentures being referred to as drawing debentures).

9.—(1) Every debenture shall before being issued be registered by the Accountant General in a register to be kept for that purpose at the office of the Accountant General, and the name and address of the holder of each debenture and all transfers of debentures shall be noted in the register.

Debentures to be registered and transferable by instrument in writing.
38 of 1963.

(2) Debentures shall be transferable by instrument in writing in such form and subject to such conditions as may be prescribed by the Minister.

10. Debentures shall be in such form as may be prescribed by the Minister.

Form of debentures.

11. The interest upon the principal represented by each debenture shall run from the day named in that behalf in the debenture, and shall be payable half-yearly on the days named in that behalf in the debenture at the office of the Accountant General in such manner as may be prescribed by the Minister.

Payment of interest.

12.—(1) So long as any of the debentures remain outstanding the Minister shall, in each half-year ending with the day on which the interest on the debentures falls due, appropriate out of the Consolidated Revenue Fund and assets of Belize a sum equal to one half-year's interest on the whole of the debentures issued, including any which may have been redeemed.

Mode of providing for payment of interest on debentures and of contributions to sinking fund.

(2) The Minister 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 the Consolidated Revenue Fund and assets of Belize for the formation of a sinking fund an additional sum equal to one-half of the annual contribution to be decided upon by the Minister on the issue of the loan.

(3) The contribution shall be in respect of the total nominal amount of all the debentures issued, including any which may have been redeemed.

(4) Debentures shall not be deemed to be outstanding for the purposes of this Act by reason only that one or more of the debentures have not been presented for payment on the day appointed for payment and have, in consequence, not been paid.

13.-(1) In the case of fixed-date debentures, so much of the monies appropriated under section 12 of this Act as shall not be required for the immediate payment of interest shall be remitted to the Crown Agents for the formation of a sinking fund, and the Crown Agents shall place at interest or invest the money so remitted to them in the purchase of such securities as may be approved by the Minister as a sinking fund for the final extinction of the debt, 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 hold the fund in trust for the repayment of the principal monies for the time being represented by the debentures.

(2) If at any time the trustees of the sinking fund are satisfied that the value of the fund will be sufficient with further accumulations of interest, but without further payments of contributions to enable the debentures to be redeemed out of the proceeds of the sinking fund when the same shall fall due to be redeemed the Minister may, with the approval of the National Assembly, suspend further payment of contributions to the sinking fund,

40 of 1963.

Creation of sinking fund for redemption of debentures payable on a fixed date.

Provided that contributions to the sinking fund shall be recommenced if the trustees shall at any time inform the Minister that it is necessary.

14. In the case of drawing debentures, so much of the monies appropriated under section 12 of this Act as shall not be required for the immediate payment of interest and the accumulations thereon shall be held by the Accountant General in trust to apply them to the purchase of the debentures when they can be obtained at a price not exceeding par, and, secondly to the redemption of the debentures by means of annual drawings in the manner following,

Disposal of sinking fund when debentures are redeemed by purchase or by annual drawings.

- (a) after the commencement of the contributions to the sinking fund in respect of any loan, and so long thereafter as any of the debentures remain outstanding, the Minister shall, in every year, unless the whole of the money applicable in that year to the redemption of debentures has been applied in the purchase thereof, appoint a day in that year for the drawing by lot of the debentures to be redeemed;
- (b) if a day is appointed for drawing, the Accountant General shall give by advertisement in the *Gazette* and in any local newspaper circulating in Belize, not less than fifteen days' previous notice, specifying the day on which, and the hour and place at which, the drawing will take place;
- (c) on the day and at the hour and place so specified the Financial Secretary and Accountant General or any other officers appointed by the Minister for the purpose shall hold a meeting at which the holder of any debenture may, if he thinks fit, be present, and shall then in the presence of such debenture holders as may attend, draw by lot, out of the whole number of debentures for the time being outstanding, debentures of the specified nominal amount;

40 of 1963.

38 of 1963.
40 of 1963.

- (d) the Financial Secretary and Accountant General or any other officers appointed under paragraph (c), shall thereupon declare the distinguishing numbers of the debentures drawn for redemption, and the Accountant General shall as soon as may be by advertisement in the *Gazette* and in any local newspaper circulating in Belize, specify those numbers and appoint a day not being later as to each debenture than the day on which the then current half-year's interest thereon is payable, and on which the principal monies represented by the debentures so distinguished will be repaid;
- (e) notice of the debentures drawn for redemption shall also be sent by post to the registered holders of such debentures; and
- (f) from and after the day so appointed the Accountant General shall, at his office, pay on demand to the holders of the debentures drawn for repayment the principal monies represented by those debentures, with all interest payable thereon up to the appointed day.

Cesser of interest from day appointed for payment of principal.

15. From and after the day appointed for the repayment of any debenture, whether a fixed-date or a drawing debenture, all interest on the principal monies represented thereby shall cease and determine whether payment of the principal shall have been demanded or not.

Redeemed debentures to be cancelled.

16.-(1) Upon the repayment of the principal monies represented by any debenture, such debenture shall be delivered up to the Accountant General to be by him cancelled and retained.

(2) Any drawing debenture redeemed by purchase shall likewise be so cancelled and retained.

Expenses of redemption to be borne by sinking fund.

17. All expenses of or incidental to the redemption of the debentures and the costs and expenses of all notices required by this Act to be given may be paid out of the sinking fund.