

THE DEBENTURES (LOCAL) ACT

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THE DEBENTURES (LOCAL) ACT

[23rd May, 1925.]

Cap. 92.
Acts
52 of 1963,
42 of 1965,
10 of 1969.

1. This Act may be cited as the Debentures (Local) Act. Short title.

2.—(1) In this Act—

“the Special Act” means any enactment which shall be hereafter passed authorizing the Minister to raise money by way of loan and with which this Act shall be incorporated.

Interpreta-
tion.
10/1969
S. 2(a).
32/1963
S. 5.

(2) References in section 3 to debentures shall be deemed to include references to promissory notes and, accordingly, the provisions of paragraphs (4), (8), (9), (11), (12), (13), (21), (22), (24) and (26) of section 5 and sections 7, 8 and 9 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.

10/1969
S. 2(b).

3. In each and every case in which, by any enactment hereafter to be passed empowering the Minister to raise any sum or sums of money locally by way of loan with which this Act shall be incorporated, it shall be lawful for the Government to raise the same or any part thereof by the issue of debentures under the provisions of this Act:

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Provided that nothing herein contained shall affect the power of the Minister to raise any such sum by the issue of inscribed stock, or local inscribed stock.

4. Any such debentures as aforesaid shall be deemed and styled “Debentures under the provisions of the Debentures (Local) Act, and the Special Act”, and thereupon the

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provisions hereinafter contained and set forth, save and except such part or parts thereof as may be expressly excepted or varied by the Special Act, shall apply to and regulate the issue of any such debentures and everything relating to them as if the several sections and provisions hereof were specially repeated and enacted in and by the Special Act.

When debentures issued locally provisions enumerated shall apply. 52/1963 S. 5.

5. In case the Minister shall determine to raise the whole or any part of any such sum as aforesaid, by the issue of debentures locally, the following provisions shall apply (that is to say)—

- (1) Every debenture shall be for a sum of not less than one hundred dollars and shall bear interest payable half-yearly at the rate fixed by the Minister for any issue of such debentures.
- (2) Every debenture issued in Jamaica shall be signed by the Financial Secretary and be countersigned by the Bank of Jamaica.
- (3) Every debenture issued in Jamaica shall, before being issued, be registered in a register book to be kept for that purpose at the Bank of Jamaica.
- (4) The interest upon the principal money secured by each debenture shall run from the day named in that behalf in the debenture, and shall be paid half-yearly on the days named in that behalf in the debenture out of the Revenues appropriated as hereinafter provided.
- (5) There shall be attached to every debenture, coupons for the payment of the interest to become due in each half-year upon the principal secured by the debenture. The coupons shall be sufficient in number to provide for the payment of the interest

either during the whole period for which the debenture is to run or for such limited period as the Minister may determine.

- (6) The debentures and the coupons thereto shall be in such form as the Minister may direct or approve.
- (7) Every debenture or coupon, and the right to receive the principal and interest secured or represented thereby shall be transferable by delivery.
- (8) So long as any of the debentures issued under the powers of borrowing conferred by the Special Act remain outstanding, the Minister shall, in each half-year ending with the day on which the interest on such debentures falls due, appropriate out of the Consolidated Fund and assets of this Island a sum equal to one half-year's interest on the whole of such debentures theretofore issued, including any which have been redeemed.
- (9) Out of the moneys so appropriated the Bank of Jamaica shall pay the then due half-yearly interest on such debentures as shall be then outstanding.
- (10) Debentures shall not be deemed to be outstanding for the purpose 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.
- (11) After the day specified in the Act authorizing the loan as that on which the contributions to the sinking fund shall commence, the Minister shall, in each half-year ending as aforesaid, appropriate, out of the said Fund and assets of the Island for the formation of a sinking fund an additional sum equal to one-half of the annual

contributions specified in the prospectus, or, in the case of a loan not issued publicly, in the terms of issue relating to the loan in respect of the total nominal amount of the debentures issued, including any which may have been redeemed.

- (12) The sinking fund shall be applied in the first place in payment of all expenses of or incidental to the redemption of the debentures and the cost and expenses of all notices required by this Act or the Special Act to be given, and in the next place and subject to the aforesaid payments, in repayment of the principal moneys for the time being represented by the debentures.
- (13) Debentures issued under this Act shall, at the option of the Bank of Jamaica, subject to the direction of the Minister, be redeemed on a date to be named when issuing the debentures, or by purchase in the open market or by annual drawings.
- (14) In the case of debentures redeemable on a date to be named when issuing the debentures, the Bank of Jamaica shall remit to the trustees appointed pursuant to section 6 the money appropriated for the formation of a sinking fund as aforesaid and the trustees aforesaid shall invest that money 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 the trustees aforesaid shall also 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 investment, and shall hold such fund in trust for the repayment of the principal moneys for the time being represented by the debentures.

52/1963
S. 2 (a), (b)
(c),
S. 5.