

**LAWS OF DOMINICA**

**LOANS ACT**

**CHAPTER 64:05**

**Act  
29 of 1974  
Amended by  
8 of 1980**

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**Note  
on  
Subsidiary Legislation**

This Chapter contains no Subsidiary Legislation.

**CHAPTER 64:05****LOANS ACT****ARRANGEMENT OF SECTIONS**

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## CHAPTER 64:05

## LOANS ACT

29 of 1974. **AN ACT to authorise the Government of Dominica to borrow money from approved sources for the purpose of financing general development, and other purposes and for matters incidental thereto.**

Commencement. [11th November 1974]

Short title. **1. This Act may be cited as the –  
LOANS ACT.**

Interpretation. **2. In this Act –**

“approved sources” includes a friendly Government, a Bank or any reputable financial institution.

“debt charges” means interest, sinking fund charges, the repayment or amortisation of debt and all expenditure in connection with the raising of loans under this Act and the service and redemption of debt thereby created;

“Minister” means the Minister responsible for Finance;

“official rate of exchange” means the rate of exchange established in accordance with the Articles of Agreement of the International Monetary Fund;

“securities” means stocks (including inscribed stocks, registered stocks and stocks transferable by delivery) bonds, notes, certificates, debentures, debenture stocks and other securities of any description issued under this Act.

Power of  
Minister to  
borrow on behalf  
of Government.  
[8 of 1980].

**3. (1) For the purpose of financing general development purposes or for other purposes the Minister on behalf of the Government may borrow money from approved sources or may guarantee loans to statutory boards or public corporations in such sum or sums not exceeding in the aggregate fifty million East Caribbean dollars or the equivalent thereof in any foreign currency or currencies by resolution passed in the House of Assembly.**

(2) Any sums borrowed or guaranteed under this Act shall be appropriated by the Financial Secretary to the purposes for which the sums were borrowed or guaranteed; and a statement of the sums so borrowed and appropriated shall be laid before the House of Assembly at the first sitting thereafter.

(3) For the purpose of determining whether any borrowing is within any limit prescribed in or pursuant to subsection (1), the equivalent in East Caribbean dollars of any borrowing in any foreign currency shall be computed at the official rate of exchange effective on the date which the Minister certifies as the date on which all the terms and conditions of the loan have been determined.

Official rate of exchange applicable.

(4) The repayment of all loans raised under this Act together with interest and other debt charges shall be a charge on the Consolidated Fund.

Loan to be charge on the Consolidated Fund.

(5) The purposes set out in the Schedule and such others as may be added from time to time shall be deemed to be development purposes or enterprises.

Schedule.

4. The authority to borrow conferred by this Act is in addition to the authority to borrow conferred by any other enactment.

Borrowing power additional.

5. (1) All loans under this Act may be raised by the creation and issue of securities which shall be in such forms and of such denominations and subject to such terms and conditions as may be determined by or with the authority of the Minister including –

Issue of securities.

(a) the rate of interest payable thereon;

(b) the maturity date; and

(c) the place where and the currency in which principal and interest shall be paid.

(2) The Minister may –

(a) establish a sinking fund for the purpose of redeeming any loan in accordance with the terms and conditions as determined pursuant to subsection (1); or

Establishment of sinking fund and underwriting of offer for subscription or sale of securities.

(b) make such other arrangements including annuity payments as he considers appropriate for the repayment of any sums borrowed under this Act.

Sinking fund a charge on Consolidated Fund.

(3) Where a sinking fund is established, all money necessary to maintain and service the sinking fund shall be charged upon the Consolidated Fund and may be withdrawn therefrom in such amounts and at such times as the Minister may determine.

Minister empowered to grant tax and exchange control relief.

6. The Minister may exempt from all taxes or exchange control, the payments of principal, interest and any other debt charges in respect of any loan raised under this Act.

Exchange of securities.

7. (1) Arrangements may be made by the Minister with holders of securities for the exchange of their securities either on or before maturity and either with or without any further payment for such other securities as the Minister may determine and this Act shall apply to those other securities as if they were issued to effect the raising of a loan under this Act.

(2) Any arrangements made for the exchange of securities under this section may provide for the making of payments to holders of securities exchanged and all such payments and all other expenses of the exchange shall be met out of the surplus, if any, created by the exchange in any sinking fund relating to the securities exchanged and if not so met shall be a charge on the Consolidated Fund.

Minister to determine manner of cancellation and disposal of securities.

8. All securities redeemed or exchanged in accordance with this Act shall be cancelled and disposed of in such manner as the Minister may determine.

Authority of Minister to execute deeds.

9. In respect of any loan raised under this Act, the Minister may by deed on behalf of the Government –

- (a) appoint a Registrar and provide for the establishment, maintenance and location of a register of any securities and for the extent to which the register is to be conclusive of the title to those securities and of any other matter;
- (b) provide for the conversion of registered securities into securities transferable by delivery and *vice versa*;
- (c) provide for the authentication of certificates relating to securities or of other documents;
- (d) appoint trustees of any sinking fund and provide for the investment, management and application of the sinking fund;

- (e) provide for the summoning and conduct of meetings of holders of securities for the purpose of obtaining their consent to any proposed amendment to any deed executed under this section or for any other purpose;
- (f) amend with or without the consent of a meeting of the holders of securities any deed executed under this section;
- (g) regulate generally or authorise the Registrar to regulate the management of the loan and all matters in connection therewith.

10. In order to give full effect to the provisions of this Act, the Minister may take any action or issue any order not specifically provided for herein, in relation to any securities issued under this Act, save that any such action or order shall not be inconsistent with the expressed or implied intendment of this Act or the terms and conditions of any loan raised hereunder.

General power of Minister.

11. Where any securities are issued for the raising of any loan under this Act, the Minister shall lay before the House of Assembly all reports and other details relating to the terms and conditions of the loan as soon as practicable after the issue and in any event not later than the first sitting of the House of Assembly after the issue.

Minister to inform the House of Assembly of securities issued.

12. The provisions of the General Local Loan Act, and of the Local Loans (General Development) Act shall not apply to securities issued under this Act.

Acts not to apply. Ch. 64:02. Ch. 64:72.

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## SCHEDULE

Section 3(5).

1. This Schedule applies to any purpose falling within one or more of the following classes:

- (a) agricultural enterprise, including any enterprise concerned with the livestock industry, with horticulture, or with forestry;
- (b) enterprises concerned with fisheries, including any enterprise relating to the taking of marine mammals;
- (c) enterprises for the working or getting of minerals;
- (d) industrial enterprises;

- (e) enterprises for providing, maintaining or improving the supply of water, electricity or gas;
  - (f) enterprises for providing, maintaining or improving transport facilities or transport services, or for providing, maintaining or improving telegraph or telephone services, wireless services, broadcasting, and broadcast relay services;
  - (g) enterprises for the provision or improvement of houses or other dwellings;
  - (h) enterprises for the building and keeping of hotels;
  - (i) enterprises for processing, storing or marketing any products of one or more enterprises falling within any of the foregoing paragraphs;
  - (j) enterprises for the carrying out of building, engineering or other operations in, on, over or under land;
  - (k) the providing of schools, colleges and hospitals;
  - (l) the providing of government offices, buildings or works for the public service;
  - (m) assisting other bodies or persons financially to perform any functions the Government is empowered to perform under this Act;
  - (n) assisting bodies or persons financially in community and youth development, and in the development of sport, cultural and recreational activities.
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