

BONDS AND SECURITIES ACT

CHAPTER 64:04

Act
26 of 1975
Amended by
26 of 1976

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Note
on
Subsidiary Legislation

This Chapter contains no Subsidiary Legislation.

CHAPTER 64:04

BONDS AND SECURITIES ACT

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~~CHAPTER 64:04~~**BONDS AND SECURITIES ACT**

AN ACT to authorise the issue of bonds in respect of certain financial obligations of the State, to provide for the issue of National Savings Bonds to make provision for the redemption or exchange of bonds and securities and for purposes connected therewith. 26 of 1975.

[11th November 1975]

Commencement.

**PART I
PRELIMINARY**

1. This Act may be cited as the –

Short title.

BONDS AND SECURITIES ACT.

2. (1) In this Act –

Interpretation.

“bonds” means bonds issued under section 3;

“National Savings Bonds” means bonds issued under section 7;

“Minister” means the Minister responsible for Finance;

“securities” means National Savings Bonds, Treasury Bills, debentures, or bonds issued under this or any other law.

(2) Any provision in this Act charging payments on any Fund “with recourse to the Consolidated Fund” shall be construed as a requirement that the payment, if not made out of that Fund, shall be charged on the Consolidated Fund.

**PART II
POWER TO ISSUE BONDS**

3. (1) The Financial Secretary may, by issue of bonds through the Post Office or Treasury, borrow such sums of money as may be approved by the Minister for the purpose of their being applied in meeting obligations of Government, in accordance with this Act.

Financial Secretary to issue bonds.

(2) Bonds so issued shall be issued in accordance with Part IV.

Prolongation of
currency of
bonds.

4. (1) The Minister may from time to time direct, as respects any bonds issued under this Act, that the currency thereof shall be prolonged to such extent and on such conditions as to interest and otherwise as may be specified in the direction.

(2) In this section “currency” in relation to a bond means the period at the expiration of which it is required to be redeemed or repaid.

(3) The currency of a bond issued under this section shall be a period of five years or such other period as the Minister may by Order prescribe.

Power of
Financial
Secretary to issue
bonds in
exchange for
securities.

5. (1) The Financial Secretary may, with the approval of the Minister, make arrangements for enabling the holders of any bonds or securities issued under any other Act to exchange them for bonds issued under this Act; and for the purpose of any such exchange may provide for the issue of new bonds and for the cancellation of bonds or securities received in exchange.

Rules.

(2) The Minister may make Rules for carrying into effect subsection (1).

(3) The principal of and interest on any bonds issued or exchanged under this section and any expenses incurred in connection with the exchange of other bonds or securities shall be charged on the National Loans Fund with recourse to the Consolidated Fund.

Power to replace
lost or destroyed
bonds.

6. Where the Financial Secretary is satisfied that a bond issued under this Act has been lost or destroyed, he may on such conditions as he thinks fit, but subject to the general directions of the Minister, issue a new bond on receiving indemnity to his satisfaction against all claims of all persons deriving title under the bond lost or destroyed.

PART III

NATIONAL SAVINGS BONDS

National Savings
Bonds.

7. (1) The Minister may cause the Financial Secretary to issue securities to be known as National Savings Bonds.

(2) The securities shall be issued in units of five dollars and shall be repayable in full together with interest thereon at a rate to be prescribed after a period of five years.

(3) Notwithstanding any other law to the contrary, National Savings Bonds shall be eligible for inclusion in draws for cash prizes in any year where the Minister considers a sufficient amount of such bonds have been purchased, and when so included any prizes in respect of the draws shall be free from income tax.

Cash prizes to be free from income tax.

(4) Draws for cash prizes held under subsection (3) shall take place on 1st December in any year when prizes shall be awarded in accordance with Regulations made by the Minister.

(5) The Financial Secretary may by Regulations issued under this section provide for the issuing of National Savings Bonds for altering the rate of interest payable thereon, and for altering the provisions with regard to the prizes that may be issued under this section, and in providing for the drawing of prizes under this section.

(6) The Financial Secretary shall establish and operate a separate account in respect of National Savings Bonds, and shall create a National Savings Bonds Fund out of which payments for redeeming such bonds for paying the interest thereon and for payment of prizes awarded in respect thereof, shall be made with recourse to the Consolidated Fund.

PART IV

BORROWING BY THE ISSUE OF BONDS

8. (1) Any money required –

- (a) for meeting in part or in full any obligation of the Government in respect of any development project, or of the acquisition of lands for public purposes; and
- (b) for providing any necessary capital for such projects or for the development of lands acquired from time to time,

Power of borrowing.
[26 of 1976].

may be raised by bonds issued under this Act in such manner and on such terms and conditions as the Minister may prescribe; and money so raised shall be paid into a fund to be known as the National Loans Fund, and expended for the purposes set out above.

(2) For the avoidance of doubt it is hereby declared that the power to raise money under this section extends to raising money either within or outside Dominica.

(3) The Minister is hereby authorised to pay for the purchase or acquisition of lands by bonds issued under this Act; and any bond so issued shall be negotiable and fully redeemable not later than ten years from the date of issue.

(4) The Minister shall in making any payment by the issue of bonds under subsection (3) take into account any considerations justifying the proportion of the purchase price or of an award in respect of the acquisition of land that may be paid by him in cash.

(5) The Minister may make Rules regulating the payment by bonds for lands purchased or acquired by Government.

Sinking fund.

9. The Financial Secretary shall, for the repayment and redemption of bonds issued under this Act and for the repayment of any expense incurred in connection therewith, create a sinking fund; and any sums of money required to be set aside for the purpose of such a fund shall be charged on and paid out of the National Loans Fund with recourse to the Consolidated Fund.

PART V

ACCOUNTING AND AUDIT

Register of bonds.

10. The Financial Secretary shall prepare and keep a register of bonds issued under this Act setting out such details as the Minister may prescribe.

Register of National Savings Bonds.

11. The Financial Secretary shall prepare and keep a register of National Savings Bonds issued under this Act setting out such details as the Minister may prescribe.

Accounts of bonds.

12. The Financial Secretary shall, as respects each financial year, prepare in such form and manner as the Minister may direct an account of all bonds issued under this Act in the financial year, and of the sums paid or applicable in the financial year in or towards the discharge of the principal or interest or the payment of any price in respect of the bonds; and send it to the Director of Audit not later than three months next following the end of the financial year and the Director of Audit shall examine, certify and report on the account and the Minister shall lay copies of the account together with the Director of Audit's report before the House of Assembly.

13. (1) The Financial Secretary shall prepare a statement in such form as the Director of Audit may approve showing as at the commencement of business on 1st August in every year the liabilities and assets of the Funds created under this Act and the Minister shall lay copies of the statements before the House of Assembly not later than three months thereafter.

Liabilities and
assets of funds.

(2) For the purposes of this section the liabilities of the Funds shall be the nominal amount of the debt outstanding and charged to the Funds, and the assets of the Funds shall be the amount of the principal of and other payments outstanding and due to the Fund.

14. For the financial year ending on 30th June 1976 and in each subsequent financial year the Financial Secretary shall prepare in such form as the Director of Audit may approve an account of payments into and out of the Consolidated Fund for the purposes of this Act.

Payment out of
the Consolidated
Fund in respect of
bonds.

15. (1) In determining or approving a rate of interest in respect of bonds issued under this Act, the Minister shall satisfy himself that the rate is fixed so as would prevent a loss if the sums represented by the issue of the bonds had to be borrowed by the Treasury for a comparable period and on other comparable terms, and the interest on the money borrowed together with the Treasury's expenses of borrowing were set off against the interest payable on the bonds.

Rates of interest.

(2) If at any time the Minister is satisfied that a rate of interest fixed in respect of bonds no longer meets the requirements set out in subsection (1), that rate shall be redetermined in accordance with that subsection, and the new rate of interest shall come into effect at the earliest convenient date.

(3) The Minister may in determining a rate of interest take into account any circumstances justifying a rate of interest higher than that required by subsection (1).

(4) The Financial Secretary shall cause to be published in the *Gazette* changes in rates of interest determined in respect of bonds issued under this Act.

PART VI

MISCELLANEOUS

Regulations.

- 16.** The Minister may by Regulations –
- (a) prescribe for anything which needs to be prescribed for the purposes of implementing this Act;
 - (b) provide for the terms of issue of National Savings Bonds;
 - (c) provide measures for the successful implementation of this Act.

Offences.

- 17.** (1) Any person who –
- (a) without lawful authority defaces or destroys any bond issued, or security exchanged, under this Act, or destroys any register authorised to be kept under this Act;
 - (b) makes a claim known to be false in respect of any prize awarded under this Act;
 - (c) attempts to print or prints any facsimile of a bond issued under this Act;
 - (d) knowingly makes incorrect entries in any register or in any account or prepares and submits accounts knowing the same to be false,

is guilty of an offence.

(2) Any person guilty of an offence under this Act is liable on summary conviction to a fine of one thousand five hundred dollars and to imprisonment for six months.

Additional
borrowing
powers.

18. The powers to borrow conferred by this Act shall be in addition to and not in derogation of any powers to borrow granted under any other law.
