CHAPTER 216.

GENERAL LOAN AND STOCK.

2/1951

(*5th January*, 1951)

Short title.

1. This Ordinance may be cited as the General Loan and Stock Ordinance.

Interpretation.

2. In this Ordinance:—

the expression "dollars" means dollars in the currency of the Colony;

the expression "stock" includes both inscribed and registered stock;

the expression "registered stock" means stock transferable by instrument in writing.

Loans to be raised by debentures or stock.

3. Whenever by any Ordinance authority shall have been given, or shall hereafter be given, to raise any sum of money for the purposes mentioned in such Ordinance, the Administrator, or the Crown Agents acting on his behalf, may from time to time, as he or they may deem expedient, raise such sum either by debentures or by stock, or partly by debentures and partly by stock.

Loan to be a charge upon general revenue.

4. The principal moneys and interest represented by debentures or stock issued under the provisions of this Ordinance are hereby charged upon and shall be payable out of the general revenues and assets of the Colony.

Borrowing upon debentures.

5. When the Administrator, or the Crown Agents acting on his behalf, shall deem it expedient to raise money by debentures, such debentures shall be issued in London on behalf of the Government of Montserrat by the Crown Agents, upon the best and most favourable terms that can be obtained, and shall be signed by any one of them on that behalf.

Amount of each debenture.

6. Every debenture issued under the provisions of this Ordinance shall be for the sum of not less than four hundred and eighty dollars.

Debentures may be redeemed by annual drawings or by purchase in the market or on a date fixed.

7. 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:

Provided that the Administrator, or the Crown Agents acting on his behalf, may reserve the option to redeem the debentures prior to such date on such conditions as may be declared at the time of issue; or

(*b*) by annual drawings at par or at the option of the Administrator, or the Crown Agents acting on his behalf, by purchase at or below par.

Interest coupons.

8. There shall be attached to every debenture coupons for the payment of the interest to become due in each half-year upon the principal represented 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 has to run, or for such limited period as the Crown Agents, acting on behalf of the Government of the Colony, may determine.

Form of debenture and coupons.

9. The debentures and the coupons thereto shall be in such form as the Administrator, or the Crown Agents acting on his behalf, may direct or approve.

Debentures and coupons transferable by delivery.

10. Every debenture and coupon, and the right to receive the principal and interest represented thereby, shall be transferable by delivery.

Registry of debentures.

11. Every debenture shall, before being issued, be registered in a register book to be kept for that purpose at the office in London of the Crown Agents.

Payment of interest.

12. The interest upon the principal represented 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, at the office in London of the Crown Agents.

Mode of providing for payment of interest on debentures.

13. So long as any of the debentures remain outstanding, the Administrator shall, in each half-year ending with the day on which the interest on the debentures falls due, appropriate out of the general revenues and assets of the Colony, a sum

equal to one half-year's interest on the whole of the debentures issued, including any which may have been redeemed, but exclusive of any which may have been exchanged at any time for stock, and shall remit that sum to the Crown Agents at such time as will enable them to pay thereout the then current half-year's interest on the day on which it falls due. Debentures shall not be deemed to be outstanding for the purpose of this Ordinance 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.

Further sums to be remitted for the redemption of the debentures.

14. (1) The Administrator shall, 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 said revenues and assets of the Colony for the formation of a sinking fund, an additional sum equal to one half of the annual contribution 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 all the debentures issued, including any which may have been redeemed, but exclusive of any which may have been at any time exchanged for stock, and shall remit that sum to the Crown Agents with the remittance hereinbefore mentioned.

(2) Notwithstanding anything to the contrary contained in subsection (1), if at any time the trustees of the sinking fund of any loan issued under the provisions of this Ordinance are satisfied that the value of the fund will be sufficient with further accumulations of interest but without further payment of contributions to enable the loan to be redeemed out of the proceeds of the sinking fund not later than the final redemption date, the Administrator may with the approval of the Secretary of State suspend further contributions to the said sinking fund:

Provided always that contributions to the sinking fund shall be recommenced if the trustees shall at any time inform the Administrator that this is necessary.

Application of sinking fund.

15. 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 Ordinance 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.

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

16. In the case of debentures redeemable on a fixed date, the Crown Agents shall place at interest or invest in the purchase of such securities as may be approved by the Secretary of State so much of the money so remitted to them as aforesaid as shall not be required for the payment of interest for the current half-year, as a sinking fund for the final extinction of the debt, and the Crown Agents shall also place at interest or invest in the purchase of like securities the accumulations of interest or the dividends, interest or produce of such investments and may, from time to time, with the approval of the Secretary of State, change any such investments and shall hold such fund in trust for the repayment of the principal moneys for the time being represented by the debentures.

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

17. In the case of debentures redeemable by annual drawings, the Crown Agents shall place and keep the moneys so remitted to them, or so much thereof as may not be required for immediate payments, at interest, and shall hold all such moneys and the accumulation thereon in trust to apply them in the first place 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.

Appointment of day for drawing of debentures.

18. After the date specified in the Ordinance authorizing a loan as that on which the contributions to the sinking fund shall commence in respect of that loan, and so long thereafter as any of the debentures remain outstanding and unsatisfied, the Crown Agents 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.

Notice of time and place appointed for drawing.

19. If a day is appointed for drawing, the Crown Agents shall give, by advertisement in the London *Times* newspaper, not less than fifteen days previous notice, specifying the day on which, and the hour and place at which, the drawing will take place.

Mode of drawing.

20. On the day and at the hour and place so specified the Crown Agents 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, if any, as may attend, and of a Notary Public, draw by lot, out of the whole number of debentures for the time being outstanding, debentures of the specified nominal amount.

Notice of debentures drawn for redemption.

21. The Crown Agents shall thereupon declare the distinguishing numbers of the debentures drawn for redemption, and shall, as soon as may be, by advertisement in the London *Times* newspaper, 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, on which the principal moneys represented by the debentures so distinguished will be repaid.

Payment of drawn debentures.

22. On the day so appointed the Crown Agents shall, at their office in London, on demand, pay to the holders of the debentures drawn for repayment the principal moneys represented by those debentures, with all interest payable thereon up to that day.

Cesser of interest from day appointed for payment of principal.

23. From and after the day appointed for the repayment of any debenture all interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal shall have been demanded or not.

Redeemed debentures to be cancelled.

24. Upon the repayment of the principal moneys represented by any debenture, the debenture, with all coupons thereunto belonging, shall be delivered up to the Crown Agents, to be by them cancelled and disposed of in such a manner as the Administrator, or the Crown Agents acting on his behalf, may decide. Any debenture redeemed by purchase shall likewise be so cancelled and disposed of.

Borrowing upon stock.

25. When the Administrator, or the Crown Agents acting on his behalf, shall deem it expedient to raise money by the issue of Montserrat stock, then such stock shall be issued in England by the Crown Agents under the provisions of the Act of the Imperial Parliament entitled "The Colonial Stock Act, 1877" upon the best and most favourable terms that can be obtained.

40 & 41 Vic. Cap. 59.

When the principal is to be repaid.

26. All the stock which may be created under the provisions of this Ordinance shall be redeemable at par on a date to be named in that behalf by the Crown Agents when issuing

the stock, such date not being later than sixty years from the date of issue:

Provided that the Administrator, or the Crown Agents acting on his behalf, may reserve the option to redeem the stock in whole or in part, by drawings or otherwise, at any time prior to such date on such conditions as may be declared at the time of issue. From and after the date appointed for the redemption of the stock or any part of it all the interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal shall have been demanded or not.

Mode of providing for the payment of interest on stock.

27. So long as any of the stock shall remain unredeemed, the Administrator shall, in each half-year ending with the day on which the interest on such stock falls due, appropriate out of the general revenues and assets of the Colony, a sum equal to one half-year's interest on the whole of such stock, and shall remit that sum to the Crown Agents at such time as will enable them to pay thereout the then current half-year's interest on the day when it falls due.

Mode of providing for payment of principal of stock.

28. (1) The Administrator shall, 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 said revenues and assets of the Colony for the formation of a sinking fund an additional sum equal to one half of the annual contribution 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 such stock including any such stock which may at any time have been issued in exchange for debentures under the authority of this Ordinance, and shall remit that sum to the Crown Agents with the remittance hereinbefore mentioned.

(2) Notwithstanding anything to the contrary contained in sub-section (1), if at any time the trustees of the sinking fund of any loan issued under the provisions of this Ordinance are satisfied that the value of the fund will be sufficient with further accumulations of interest but without further payment of contributions to enable the loan to be redeemed out of the proceeds of the sinking fund not later than the final redemption date, the Administrator may with the approval of the Secretary of State suspend further contributions to the said sinking fund:

Provided always that contributions to the sinking fund shall be recommenced if the trustees shall at any time inform the Administrator that this is necessary.

Creation of sinking fund.

29. The Crown Agents shall, for the purpose of forming such sinking fund, from time to time place at interest or invest in the purchase of such securities as may from time to time be approved by the Secretary of State so much of the money so remitted to them as aforesaid as shall not be required for the payment of interest for the current half-year and shall also place at interest or invest in the purchase of like securities, the accumulations of interest or the dividends, interest, or produce of such investments, and may from time to time, with the approval of the Secretary of State, change any such investments, and shall hold such fund in trust for the repayment of the principal moneys for the time being represented by the stock.

Charge upon general revenue.

30. In case the sinking funds provided for by this Ordinance shall be insufficient for the payment of all the principal moneys borrowed under the authority of this Ordinance at the time the same shall have become due, the Administrator shall make good the deficiency out of the general revenues and assets of the Colony.

Expenses to be paid out of sinking fund.

31. All expenses of or incidental to the management of the sinking fund, or to the payment of the principal moneys borrowed, shall be paid out of the sinking fund.

Powers of Administrator

32. The Administrator shall also have, and may from time to time exercise, the following powers and authorities or any of them—

(*a*) He may authorize the Crown Agents when issuing any loan in the form of debentures to declare that such debentures will be convertible into stock at such dates and on such terms and conditions as may be prescribed by the Crown Agents at the time of the issue of the debentures.

(*b*) He may declare all or any of the Montserrat loans, whether existing in the form of stock or debentures, and whether issued before or after the commencement of this Ordinance, to be convertible into stock, to be issued under the provisions of this Ordinance.

(*c*) He may authorize the creation and issue of such an amount of stock in exchange for the securities held for such loans as may be necessary.

(*d*) He may authorize the creation and sale of any such stock or debentures for the purpose of raising money for redeeming any outstanding loans whether issued before or subsequent to the passing of this Ordinance, for paying any expense in the creation of stock, and otherwise for carrying out the provisions of this Ordinance.

(*e*) Any conversion so authorized may be effected either by an arrangement with the holders of existing securities or by purchase thereof out of moneys raised by the sale of stock, or partly in one way and partly in the other.

Exchange of securities for stock.

33. Nothing in this Ordinance contained shall authorize an increase of the capital or of the annual charge on any loan, except—

(*a*) when securities exchanged for stock bear a rate of interest not less than the stock, an additional amount of stock may be created and issued to make up the difference in saleable value between the securities and the stock;

(*b*) in the case of the conversion of securities into stock the Crown Agents shall issue such an amount of stock as may be required to defray the stamp duties and all other expenses incidental to the conversion;

(*c*) in accordance with such terms and conditions as may be prescribed under paragraph (*a*) of section 32.

Converted securities to be cancelled.

34. The securities exchanged or otherwise converted into stock under the provisions of this Ordinance shall be forthwith cancelled by the Crown Agents, and the debentures surrendered shall be cancelled and transmitted to the Administrator.

Trustees to apportion amount of sinking fund released by conversion.

35. The trustees of the sinking fund appointed under this Ordinance, and acting under any Ordinance authorizing the issue of any securities which may be exchanged into stock or cancelled or purchased under the provisions of this Ordinance, shall determine what amount of the sinking fund held by them and created for repayment of such securities shall be released and in the determination of such question the trustees

shall take into consideration the value of the whole investments held by them on account of such sinking funds, the amount of the debt remaining a charge on such sinking funds, and such matters as the trustees may think fit to take into account.

Sinking funds released: how to be disposed of.

36. So much of the sinking funds as may be released shall either be transferred unto the trustees of the stock sinking fund, or be disposed of in such a manner as the Administrator, with the advice and consent of the Legislative Council, may direct.

Creation, inscription, registration, issue, conversion, and transfer of stock.

37. The Crown Agents may from time to time, at the request of the Administrator, make arrangements for all or any of the following things—

(*a*) for inscribing and registering stock in their books,

(*b*) for managing the creation, inscription, registration and issue of stock, including the issue of certificates of title in respect of such stock,

(*c*) for effecting the conversion of loans into stock,

(*d*) for paying interest on stock and managing the transfers thereof,

(*e*) for issuing stock certificates to bearer, and, as often as occasion shall require, re-inscribing or re-registering them,

(*f*) for effecting the exchange or conversion of inscribed stock into registered stock.

Raising of loans in the Colony.

38. This Ordinance shall be applicable only to the raising of loans in England, and nothing in this Ordinance contained shall prevent the raising of loans in the Colony upon such terms and conditions as shall be specified in any Ordinance authorizing the raising of such loans.

Regulations regarding transfer of Stock.
40 and 41 Vic. c. 59.
12 & 13 Geo. 6 c. 1.

39. Authority is hereby given for the making of regulations under section 16 of the Colonial Stock Act, 1877, to provide, that, in accordance with section 1 of the Colonial Stock Act, 1948, stock issued (whether before or after the passing of the last mentioned Act) under the provisions of this Ordinance shall be transferable by instrument in writing in accordance with the regulations and in no other manner.