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*APPROVED ORGANIZATIONS AND AUTHORITIES
LOAN(GOVERNMENT GUARANTEE)*

**THE APPROVED ORGANIZATIONS AND AUTHORITIES
LOANS(GOVERNMENT GUARANTEE) ACT**

Cap.18.
Laws
34 of 1953,
37 of 1959.
Acts
48 of 1969,
17 of 1970,
42 of 1979,
20 of 2011
S.25.

[29th July, 1948.]

1. This Act may be cited as the Approved Organizations and Authorities Loans (Government Guarantee) Act. Short title.

2.—(1) Subject to the provisions of subsection (2), the Minister may, with the prior approval of the House of Representatives, guarantee— Power to guarantee loans to approved organizations or authorities. 17/1970 S.2. 42/1979 S.2.

(a) the repayment of the principal moneys and interest and any other amounts payable under or upon any loan raised by any organization or authority approved by the Minister; and

(b) the performance of any obligation ancillary to the agreement to repay the principal moneys and interest aforesaid,

and any guarantee given under this subsection may be signed by any person authorized thereto in writing by the Minister.

(2) No loan shall be guaranteed under subsection (1)— 34/1953 S.2.

(a) except for such time and upon such terms and subject to such conditions as the House of Representatives may approve; and

(b) unless the proposal for the guarantee, when brought before the House of Representatives, is accompanied by a statement setting out the total amount of all principal moneys then remaining unpaid in respect of all other loans previously so guaranteed; 37/1959 S.2.

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20/2011
S.25(a)(ii).

(c) in respect of a public body, unless the guarantee is consistent with the fiscal targets for total debt specified in section 48C(1)(b) of the *Financial Administration and Audit Act*.

20/2011
S.25 (a)(ii).

(3) In this section and section 3, “public body” has the meaning assigned to it by section 2 of the *Public Bodies Management and Accountability Act*;

Security for
loans guaran-
teed under this
Act.
48/1969
S.2.
42/1979
S. 3(a).

3.—(1) Notwithstanding anything to the contrary, where any loan is guaranteed under this Act the repayment of any amounts payable under or upon the loan so guaranteed shall; during the continuance of such guarantee—

- (a) be a first charge upon such revenues and assets of the borrower as shall be specified by the Minister; or
- (b) be secured in such other manner as the Minister may arrange with the borrower and lender.

(2) Where any loan is guaranteed under this Act—

- (a) after the 30th of December, 1969, the borrower shall pay to the Government as a commission such sum not exceeding one percent of the amount borrowed, as the Minister may determine; or
- (b) after the date of commencement of the *Public Bodies Management and Accountability (Amendment) Act, 2011*, if the borrower is a public body, the borrower shall pay to the Government as a commission such sum as may be prescribed by regulations made under section 24 of the *Public Bodies Management and Accountability Act*.

(3) For the purposes of subsection (1) any amount payable consequent upon a failure to perform such obligation as is

42/1979
S.3(b).

referred to in section 2(1)(b), shall be treated as if it were principal moneys guaranteed under this Act.

4. Where the Minister is satisfied that there has been any default in the repayment of any amounts guaranteed under the provisions of this Act, the Minister shall direct the repayment out of the Consolidated Fund and assets of Jamaica of the amount in respect of which there has been such default.

Repayment of amounts guaranteed in default.
48/1969
S. 3.
42/1979
S.4.

5. Where the Minister gives any direction under section 4 and the repayment of the amounts guaranteed under this Act is secured in the manner specified—

Protection of amount paid under section 4.
48/1969
S.4.
42/1979
S.5.

(a) in paragraph (a) of subsection (1) of section 3, the revenues and assets of the borrower specified in accordance with the provisions of the said section 3 shall, upon the publication of such direction in the *Gazette*, vest in the Commissioner of Lands where they consist of land and in the Accountant General in any other case, in trust for the Government until such time as any sum paid out under the provisions of section 4 has been repaid to the Government; so, however, that such vesting shall be without prejudice to and shall not affect any obligations or liabilities or the rights and privileges of any mortgagee or lender which attached to or existed in relation to such revenues and assets immediately prior to the publication of the direction and which did not cease to exist upon the repayment made under section 4;

17/1970
S.3.

(b) in paragraph (b) of the said subsection (1), the Minister shall, upon the publication of such direction in the *Gazette*, take such action as may be appropriate to ensure repayment to the Government of any sum paid out under the provisions of section 4.

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Minister may
remit taxes,
duties and
fees.
48/1969
S. 5.

6. Where any loan is guaranteed under this Act the Minister may, by order published in the *Gazette*, provide that any tax, duty or fee payable under the Income Tax Act or the Stamp Duty Act or the Registration of Titles Act, or any other enactment, shall be remitted where such remission is, in the opinion of the Minister, necessary to give effect to any term upon which, or any condition subject to which, such loan was so guaranteed.