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No. 15 of 2008

First Session Ninth Parliament Republic of
Trinidad and Tobago

HOUSE OF REPRESENTATIVES

BILL

AN ACT to authorize the Minister to issue Treasury
Bonds for the purpose of liquidity management

THE TREASURY BONDS BILL, 2008

Explanatory Note

(These notes form no part of the Bill but are intended only to indicate its general purport)

The Bill seeks to authorize the Minister of Finance to issue Treasury Bonds for the purpose of liquidity management.

Clause 1 of the Bill would provide the short title of the Act

Clause 2 of the Bill provides the definition of certain terms used in the Bill.

Clause 3 of the Bill seeks to allow the Minister to raise money by the issue of Treasury Bonds.

Clause 4 of the Bill would provide for moneys raised by the issue of Bonds to be paid into a blocked account that would form part of the Consolidated Fund.

Clause 5 of the Bill would provide for the principal and interest on Bonds to be a charge on the Consolidated Fund.

Clause 6 of the Bill would give the Minister the power to designate Fiscal Agents.

Clause 7 of the Bill would set out the duties of the Fiscal Agent.

Clause 8 of the Bill would deem the interest and principal on Treasury Bonds to be duly paid where the relevant amount is credited to the account of the holder.

Clause 9 of the Bill would exempt Bonds from stamp duty.

Clause 10 of the Bill would set out certain functions of the Minister.

Clause 11 of the Bill would require the Minister to report to Parliament semi-annually on the issuance of Bonds.

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[, 2008]

ENACTED by the Parliament of Trinidad and Tobago as Enactment
follows:—

1. This Act may be cited as the Treasury Bonds Act, Short title
2008.

Interpretation

2. In this Act—

“blocked account” means a separate account into which moneys raised under this Act are deposited and from which withdrawals, transfers or any other transactions are prohibited except as required under this Act;

“Bonds” means Treasury Bonds issued under section 3;

Chap. 79:02

“Central Bank” means the Central Bank of Trinidad and Tobago established under the Central Bank Act;

Chap. 69:01

“Exchequer Account” has the meaning assigned to it in the Exchequer and Audit Act;

Chap. 79:09

“financial institution” means a company licensed under the Financial Institutions Act;

“Fiscal Agent” means—

(a) the Central Bank; or

(b) a financial institution designated by the Minister under section 6;

“Minister” means the Minister to whom responsibility for finance is assigned.

Issue of Treasury
Bonds

3. (1) The Minister, on behalf of the Government and on the written advice of the Central Bank, may raise money by the issue of Bonds for the purpose of managing liquidity in Trinidad and Tobago.

(2) The principal and interest payable on Bonds issued under this Act shall be made at such time or times as the Minister shall, before the issue of such Bonds, determine pursuant to section 10, but so that the principal shall not be paid earlier than five and one-half years nor later than ten years from the date of issue of the Bonds.

4. (1) All moneys raised by the issue of Bonds shall be paid into a blocked account in the Exchequer Account and shall form part of the Consolidated Fund. Moneys raised to form part of the Consolidated Fund

(2) No moneys paid into the blocked account referred to in subsection (1) may be withdrawn or otherwise dealt with except for the purpose of paying the principal sum under section 7.

5. The principal and interest of all Bonds issued under this Act shall be a charge on the Consolidated Fund. Charge on the Consolidated Fund

6. The Minister may by Order designate a financial institution as a Fiscal Agent. Designation of Fiscal Agent

7. A Fiscal Agent— Fiscal Agent

(a) may issue Bonds on behalf of the Government;

(b) shall keep a register of the holders of Bonds; and

(c) shall promptly pay—

(i) the interest on a Bond when due; and

(ii) the principal sum at maturity of a Bond.

8. The interest and principal sum shall be deemed to be duly paid under section 7 where the relevant amount is credited to the account of the holder of the Bond at the financial institution specified in writing by the holder. Payment of principal and interest

9. Bonds issued under this Act are exempt from stamp duty. Exemption from stamp duty

10. The Minister shall, on the written advice of the Central Bank, determine the— Functions of the Minister

(a) form, issue and recording of Bonds;

- (b) currency of issue;
- (c) denomination of Bonds;
- (d) rate of interest;
- (e) method of payment of interest and principal;
- (f) method of redemption; and
- (g) transferability and negotiability of Bonds.

Minister to
report to
Parliament

11. The Minister shall report to Parliament semi-annually on the issuance of the Bonds.

Passed in the House of Representatives this
day of _____, 2008.

Clerk of the House

I confirm the above.

Speaker

Passed in the Senate this _____ day of _____,
2008.

Clerk of the Senate

I confirm the above.

President of the Senate

No. 15 of 2008

FIRST SESSION
NINTH PARLIAMENT
REPUBLIC OF
TRINIDAD AND TOBAGO

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AN ACT to authorize the Minister to issue
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liquidity management

Received and read the

First time

Second time

Third time
