

BORROWING POWERS ACT, 1988**Principal Act**

Act. No. 1988-05	<i>Commencement</i>	23.6.1988
	<i>Assent</i>	23.6.1988

Amending enactments	Relevant current provisions	Commencement date
Act. 1989-30	ss. 1 & 2(1)	16.11.1989
2007-17	ss.4, 7, 8(4), 9, 10, 12, 13(1) & (2), 14(2) & 17	14.6.2007

English sources:

None cited

EU Legislation/International Agreements involved:

ARRANGEMENT OF SECTIONS.

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AN ACT TO PROVIDE FOR THE RAISING OF LOANS BY THE GOVERNMENT OF GIBRALTAR FOR VARIOUS PURPOSES AND FOR MATTERS RELATING THERETO.

Short title.

1. This Act may be cited as the Borrowing Powers Act, 1988.

Power to borrow.

2.(1) Subject to the provisions of this Act, the Government may from time to time, in addition to any other sums of money that it is for the time being authorised to borrow under any law borrow any sum or sums of money such that the aggregate of Public Debt shall not at any time exceed the sum of £100,000,000.

(2) Any sum of money to be borrowed by the Government under this Act may be borrowed in any one or more of the following ways, namely—

- (a) by the issue of registered debentures on subscription by the public or by any section of the public; or
- (b) from any one or more other persons, on such terms as may be agreed between the Government and that person or persons.

DEBENTURES.

Debentures.

3. Every debenture issued under this Act shall be a sum of £100, £500, £1,000, £5,000 or £10,000.

Registration.

4. (1) the Financial Secretary shall cause every debenture issued under this Act to be registered in a register to be kept for that purpose.

(2) The Financial and Development Secretary shall cause a certificate of registration, in the prescribed form (if any) to be issued to the registered owner of every debenture issued under this Act.

Transfers.

5.(1) Every debenture issued under this Act shall be transferable by entry in the register.

(2) Every transfer shall be made in such manner and subject to such conditions, if any, as may be prescribed.

Interest.

6. All money that is raised on the issue of a debenture under this Act shall bear interest at such rate as may be specified in the prospectus inviting subscriptions for that debenture.

Payment of interest.

7. The interest on the principal money represented by each debenture issued under this Act shall run from the day named in that behalf in the debenture and shall be paid half-yearly, at the office of the Financial Secretary, on such dates as may be specified in the prospectus inviting subscriptions for that debenture.

Redemption.

8.(1) Every debenture issued under this Act shall be redeemable at par on such date as may be specified in the prospectus inviting subscriptions for that debenture.

(2) From and after the date of redemption of any debenture issued under this Act all interest on the principal moneys represented by the debenture shall cease and determine, whether payment of the principal moneys shall have been demanded or not.

(3) Notwithstanding subsection (1), the Governor may, at his option, redeem at par any debenture issued under this Act at any time before the date of redemption on giving not less than six months' notice of his intention so to do.

(4) The Financial Secretary may at any time-

- (a) redeem any debenture issued under this Act by purchase in the market; and
- (b) transfer any such debenture to any other person, at a price not less than that for which he purchased it-

and any debenture so transferred by hind shall be subject to all the provisions of this Act relating to debentures.

Cancellation.

9. On-

- (a) the repayment of the principal moneys represented by a debenture issued under this Act, or
- (b) the redemption of a debenture issued under this Act the debenture shall be delivered to the Financial Secretary who shall cancel and retain it.

OTHER AGREEMENTS.

Loan agreements.

10. Every agreement referred to in section 2(2)(b) shall be made in writing, the name of the Government of Gibraltar, and shall be signed on behalf of the Government by the Financial Secretary or by any person authorised by the Financial Secretary in writing for the purpose.

Loan agreement to be tabled.

11. Every agreement specified in section 10 shall be laid on the table of the Parliament at the next meeting of the Parliament commencing after the date on which the agreement is made.

GENERAL PROVISIONS.

Application of money borrowed.

12. All sums of money borrowed by the Government under this Act shall be applied and appropriated at the discretion of the Financial Secretary without further authority than this section, to—

- (a) the Consolidated Fund in aid of the general expenditure of the Government; or
- (b) the Improvement and Development Fund for development purposes; or
- (c) the Gibraltar Investment Fund for the promotion of the economic and social development of Gibraltar.

Sinking funds.

13.(1) The Financial Secretary may establish one or more sinking funds to provide for the repayment of any money borrowed under this Act, and for

the payment of all interest and other charges payable on money so borrowed.

(2) Every fund so established shall be a special fund within the meaning of section 18 of the Public Finance (Control and Audit) Act.

(3) The Financial Secretary may from time to time transfer into any sinking fund established under this section, from the Consolidated Fund, such amounts as he may think fit.

Securities.

14.(1) The Government may issue, in addition to debentures, any bonds, stock, promissory notes or other securities for the repayment of any money borrowed under this Act, on such terms and conditions (not being inconsistent with the terms on which the money has been borrowed) as it may determine.

(2) Any security issued under subsection (1) shall be issued in writing in the name of the Government of Gibraltar and shall be signed on behalf of the Government by the Financial Secretary.

(3) All debentures and other securities issued under this Act, and all instruments of transfer or sale relating to such debentures and other securities, shall be exempt from stamp duty.

Validity of agreements and securities.

15. Notwithstanding anything contained in any other law, every agreement specified in section 10, and every debenture and other security issued under this Act, shall be valid and enforceable and shall have full force and effect according to their tenor.

Repayments to be charged on Consolidated Fund.

16. All money borrowed under this Act, and all interest and other charges payable on money so borrowed pursuant to every debenture and to every agreement specified in section 10, and all money, interest and other charges payable under any other security issued under this Act, shall be charged upon and shall be payable out of the Consolidated Fund, without further appropriation than this section.

Regulations.

17.(1) The Minister responsible for finance may from time to time make regulations for all or any of the following purposes—

- (a) prescribing the form of debentures and other securities issued by the Government of Gibraltar under this Act, and the manner in which they shall be issued;
- (b) providing for registers of securities issued under this Act and for the transfer of such securities;
- (c) providing for the exemption wholly or partly of any debenture, agreement or security made or issued under this Act or of any income derived by any person under any such debenture, agreement or security, from any tax, duty, charge or fee payable by law in respect of any such debenture, agreement, security or income;
- (d) for such other matters as are reasonably necessary for or incidental to the due administration of this Act.

(2) regulations made under this Act may make different provision for different classes of security.

Saving.

18. Nothing in this Act shall be construed as derogating from other lawful power of the Government to borrow money or to issue securities.