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[Legal Notice No. 97]

**PROVINCIAL GOVERNMENT ACT 1981  
(No. 7 of 1981)**

**THE ISABEL PROVINCE SMALL BUSINESS REVOLVING  
LOAN FUND ORDINANCE 1994**

**AN ORDINANCE TO ESTABLISH A FUND TO PROVIDE  
LOANS FOR BUSINESS PURPOSES TO BE ADMINISTERED  
BY AREA COUNCILS.**

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Citation and  
commence-  
ment.

1. This Ordinance shall be cited as the Isabel Province Small Business Revolving Loan Fund Ordinance 1994 and shall come into operation on the date assented to by the Minister for Provincial Government and published in the Solomon Islands Gazette.

Purpose of  
Ordinance.

2. The purpose of the Ordinance is to establish a revolving loan fund from which small loans at low interest rates can be made to rural people to provide capital to assist business projects in rural areas.

Interpretation.

3. In this Ordinance -  
 "Assistant Administration Officer" means the person employed to administer the business of the Area Council;

- “Area Council” means those bodies set up by the Isabel Province Area Council Ordinance;
- “Borrowed” means any person applying for and accepting money from the Fund to which this statute relates to whom money is given and which is to be repaid under the terms of this Ordinance;
- “Business” means any activity or undertaking, service, trade, profession, occupation or other venture determined by the Executive to be a business (whether or not listed in Schedule 2 of the Isabel Business Licence Ordinance 1994) and carried on by any person or persons for the purpose of gain, profit or payment whether such payment has been received or not;
- “Person” includes one or more persons carrying on business together whether incorporated or unincorporated as a Company;
- “Province” or “Provincial” refers to Isabel Province;
- “Rural” means any bush areas and villages of not more than five hundred people;
- “Screening Committee” means the Committee set up under this Ordinance to consider applications for loans from the fund;
- “S.I.C.O.P.S.A. Fund” means a fund formerly provided by the National Government on a voluntary basis which has now been discontinued.

**PART II - THE FUND**

4. The Province shall establish a fund in accordance with the Provisions of this Ordinance from monies remaining from the former Small Islandds Communities and Provinces Special Assistance (SICOPSA) funds in existence at the commencement of this Ordinance to include monies now held by the Province and those due and payable from former loans together with the interest thereon.

Establishment  
of  
Fund.

5. Such fund shall be shared between the respective Area Councils existing for the time being in proportion to the number of people residing within their ward boundaries and to be administered by them as hereinafter provided.

Distribution  
to Area  
Councils.

6. Deposits into the fund shall be from loan repayments with interest, administration fees payable by Borrowers and such sums

Monies to be  
paid into  
the Fund.

as the Provincial Government may from time to time contribute as they see fit.

Uses of the Fund.

7. Monies from the fund shall be used to make small loans to persons living in rural areas within the ward boundaries of the Area Council to which application is made and where the Borrower intends to carry on business.

Limitations of the Fund.

8. No monies shall be paid out of the fund except for bank service charges and loans authorised by this Ordinance.

### PART III - LOANS FROM THE FUND

Who may borrow.

9. Any person who is ordinarily resident within the ward boundaries of the Area Council to which the application is made and who has attained the age of eighteen years is eligible for a loan from the Fund.

Business intended to benefit.

10. (a) The business must be one that will provide a useful service or product for the people of the Solomon Islands.  
 (b) The business must be proved to make sufficient income to allow for the payment of the loan to be made within the time limited.  
 (c) When considering an application for a loan the Area Council shall be entitled to call on the Provincial Government for advice from its officers including the Treasurer and Head of Departments.

### PART IV - LOAN CONDITIONS

Loan Terms.

11. (a) The maximum term of any loan shall be one year.  
 (b) The maximum amount of any loan or loans to a single applicant and outstanding to the fund at any one time shall not exceed \$500.00.  
 (c) The maximum rate of interest on any loan shall be three percent per annum.  
 (d) Repayment of the loan shall be over a period of twelve months from the receipt of the loan monies but may be repaid sooner at the election of the Borrower.

Loan Agreement.

12. When making an application for a loan the Borrower shall complete a form of application as set out in Schedule I hereof and sign the same. This form should then be submitted to the Area Council with an administration fee of \$50.00. This sum may be deducted from the loan monies with the consent of the Borrower.

13. A Borrower may apply for a second or subsequent loans provided that the amount outstanding on each and every such loan to the Fund does not exceed \$500.00.

Further Loans.

#### PART V - SCREENING COMMITTEE

14. All applications for a loan from the fund shall be considered by a Loan Committee the members of which shall be -  
The President of the Area Council as Chairman  
The Minister of Finance  
One appointed Chief elected to the Committee by the members of the Area Council  
All Technical Officers and  
The Assistant Administration Officer.  
In the absence of the Chairman the Committee shall elect a substitute from their number.

Committee Members.

15. The Clerk to the Area Council shall act as Clerk to the Committee and shall not have a right to vote.

Duties of Council Clerk.

17. (a) A quorum of the Screening Committee shall be six members.

Applications.

(b) Technical Officers may be excused attendance if the applications to be considered are not within the ambit of their particular expertise.

18. All applications approved by the Area Council shall be endorsed with the consent of the Screening Committee Chairman on the application form authorising payment from the Fund by the Area Council Clerk.

Authorisation of payment.

#### PART VI - PENALTIES

19. If any Borrower gives false information on the application form or uses the loan monies for any purpose other than that for which it is made the whole of the monies with interest outstanding will become immediately due and repayable and the Area Council shall have such other rights to recover the sums due as hereinafter provided.

For giving false information.

20. (a) Any property purchased with the loan monies will remain the property of the Area Council until the loan has been repaid.

Property to remain in ownership of Council.

(b) In the event of repayments not being maintained then the Area Council will have the right to take possession of any goods purchased with loan monies and dispose of them for a reasonable sum to recover the loss to the Fund. Any monies so recovered shall be paid into the Fund Account forthwith.

Civil debt.

21. The provisions of this Ordinance shall not limit in any way the right of the Area Council to recover any outstanding loans to the Fund by legal action for civil debt in a Court of competent Jurisdiction.