

REPUBLIC OF VANUATU

GOVERNMENT BORROWING AND GUARANTEE ACT No. 20 OF 1982

Arrangement of Sections

1. Minister may raise loans.
2. Loans to statutory bodies.
3. Government guarantees.
4. Commencement.

REPUBLIC OF VANUATU

GOVERNMENT BORROWING AND GUARANTEE ACT No. 20 OF 1982

An Act to provide for raising public loans, granting loans to statutory bodies and granting guarantees for the purposes of development of Vanuatu.

BE IT ENACTED by the President and Parliament as follows :-

1. (1) Notwithstanding the provisions of any other law and subject to the provisions of this section, the Minister for the purposes of financing capital projects and other non-recurring expenditure of the Government may raise loans from any source within or outside Vanuatu, of sums of money not exceeding 150 million Vatu in any one financial year.
- (2) The amount of the loans raised or to be raised under subsection (1) together with the amount of the balance outstanding on any such loan shall not exceed 300 million Vatu in aggregate at any time.
- (3) The Minister shall obtain the prior approval of the Council of Ministers of the terms and conditions of any loan to be raised under this section and of any alteration to such terms and conditions.
- (4) The principal of, and all interest and other charges on any loan raised under this section shall be charged upon and paid out of the Development Fund.
2. (1) The Minister may, out of moneys borrowed under section 1 make loans to any statutory body for the purpose of financing capital projects when he thinks it in, or conducive to, the public interest to do so.
- (2) Any loan made under this section shall be subject to such terms and conditions as the Minister shall determine. Without prejudice to the generality of this subsection, such terms and conditions shall ensure that the moneys received by the statutory body under any such loan shall only be applied for the specific project for which the loan was made.

overnment
uarantees.

3. (1) Notwithstanding the provisions of any other law and subject to the provisions of this section, the Minister may guarantee in such manner and on such terms and conditions as he may think fit, the due repayment of the principal of, and all interest and other charges on, any loan raised or made, within or outside Vanuatu, by or to any person for the purposes of financing any capital projects in Vanuatu.
- (2) The amount of principal, interest and other charges guaranteed under this section shall not exceed 150 million Vatu in aggregate at any time.
- (3) No loan shall be guaranteed under subsection (1) until,
 - (a) provision has been made to the satisfaction of the Minister -
 - (i) for appropriating and duly applying the loan for the purposes referred to in subsection (1);
 - (ii) to ensure that any part of the loan which cannot be applied for the purpose thereof shall not be applied to any other purpose;
 - (iii) for charging on the income and assets of the borrower, or any other income and assets which may be available for the purpose, the principal of, and all interest and other charges on, the loan, or, if such charging is, in the Minister's opinion, not practicable, otherwise to ensure the due repayment of such principal, interest and other charges;
 - (iv) for charging on the income and assets of the borrower, or any other income and assets which may be available for the purpose, the repayment to the Government of any sum paid out of the Development Fund with such interest and other charges as the Minister may reasonably require, or, if such charging is, in the Minister's opinion, not practicable, otherwise to ensure the repayment of that principal, interest and other charges;
 - (v) for raising or securing the raising of sufficient moneys to meet the above charges; and

- (b) the prior approval of Council of Ministers has been obtained of the terms and conditions of the guarantee.
- (4) Any sum required for fulfilling any guarantee given under this section shall be charged upon and paid out of the Development Fund and any sum received by way of repayment of any sum so paid shall be paid into the Development Fund.

Commencement. 4.

This Act shall come into force on the day of its publication in the Gazette.