

REPUBLIC OF ZAMBIA

**THE DEVELOPMENT BOND ACT**

**CHAPTER 379 OF THE LAWS OF ZAMBIA**

**CHAPTER 379 THE DEVELOPMENT BOND ACT**

THE DEVELOPMENT BOND ACT

ARRANGEMENT OF SECTIONS

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**CHAPTER 379**

DEVELOPMENT BOND

32 of 1968  
13 of 1994

**An Act to empower the Minister to raise loans by the issue and sale of bonds within the Republic.**

[7th June, 1968]

The Laws of Zambia

1. This Act may be cited as the Development Bond Act. Short title
2. In this Act, unless the context otherwise requires- Interpretation
- "bond" means a development bond issued under this Act.
3. (1) The Minister may raise loans by the issue and sale within the Republic of bonds to be known as development bonds and may at any time withdraw from sale any such issue of development bonds. Power to raise loans by the issue of bonds
- (2) Subject to the provisions of this Act and regulations made thereunder, any issue of bonds made under this section shall be upon the terms and conditions set out in a prospectus for that issue which shall be published in the *Gazette* and shall be freely available at all places where bonds in that issue are sold.
4. All moneys raised under this Act shall be paid into the general revenues of the Republic and all debt charges arising in connection with the raising of such moneys shall, in accordance with of the Constitution, be charged on those revenues. Moneys raised to be paid into and debts to be charged on general revenues  
Cap. 1
5. (1) Save- Secrecy concerning individual holders of bonds
- (a) for the purpose of the administration of this Act and regulations made thereunder;
- (b) in accordance with the provisions of a written law, or
- (c) with the consent of the lawful holder of bonds;
- no person shall have or be given access to information in relation to the purchase, holding or sale of bonds by any other person or shall communicate any such information to a third person.
- (2) Any contravention of the provisions of subsection (1) shall be an offence punishable with imprisonment for a period not exceeding two years or with a fine not exceeding six thousand penalty units, or with both.

(As amended by Act No. 13 of 1994)

6. The Minister may, by statutory instrument, make regulations for the better carrying into effect of this Act and, in particular and without prejudice to the generality of the foregoing power, may by regulations prescribe-

Regulations

- (a) the classes and forms of bonds;
- (b) the terms and conditions relating to bonds of any issue which shall be set out in the prospectus for that issue;
- (c) the persons who may or may not be holders of bonds and the conditions subject to which specified persons or classes of persons may be holders of bonds;
- (d) the manner in which, the persons to whom and the places at which application for bonds may be made;
- (e) the maximum value of bonds which may be held by any holder including different values for different classes of holders;
- (f) the manner in which, and the conditions subject to which, bonds shall be registered;
- (g) the manner in which, and the conditions subject to which, payments of interest or other benefits payable on bonds shall be made and bonds shall be redeemed;
- (h) the manner in which, and the conditions subject to which, bonds may be transferred from a holder to any other person;
- (i) the manner in which, and the conditions subject to which, bonds of one class may be converted to bonds of another class;
- (j) the extent to which a register of particulars relating to the holding of bonds or any extract from that register shall be admissible in a court as evidence of the matters recorded in the register; and
- (k) the functions, powers and duties of the Bank of Zambia as agents of the Minister in the raising of loans under this Act;

and such regulations may provide differently in relation to different classes or issues of bonds.

7. The Local Loans (Registered Stock and Securities) Act shall not have effect in relation to loans raised under this Act.

Cap. 353 not to apply to loans raised under this Act

## **SUBSIDIARY LEGISLATION**

### **DEVELOPMENT BOND**

#### **THE DEVELOPMENT BOND REGULATIONS**

ARRANGEMENT OF SECTIONS

*Regulation*

1. Title
2. Interpretation
3. Particulars of prospectus
4. Forms of bonds
5. Persons who may be holders of bonds
6. Maximum holdings of bonds
7. Manner of purchase of bonds
8. Register of bonds
9. Evidence
10. Interest not payable in certain circumstances
11. Holder of bonds becoming subject to legal disability or dying
12. Encashment of bonds
13. Bond certificates not negotiable
14. Notice of trust not receivable by Bank
15. Transfer of bonds
16. Payment of Bank
17. Lost or damaged bond certificates
18. Indemnity

SCHEDULE-Prescribed forms

SECTION 6-THE DEVELOPMENT BOND REGULATIONS

*Statutory Instrument*  
255 of 1968

*Regulations by the Minister*

1. These Regulations may be cited as the Development Bond Regulations. Title

2. In these Regulations, unless the context otherwise requires-

"the Bank" means the Bank of Zambia;

"bond certificate" means a certificate in Form 2 of the Schedule;

"the register" means the register of bonds provided for in regulation 8.

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3. Every prospectus shall include the following particulars relating to bonds of the issue to which the prospectus relates: Particulars of prospectus
- (a) the title of the bonds;
  - (b) the units of currency in relation to which the bonds shall be issued;
  - (c) the rate of interest and any other benefits payable on the bonds and the dates upon which or the intervals after which such payments shall be made;
  - (d) the period or periods after the purchase of the bonds upon the expiration of which benefits thereon shall cease to accrue; and
  - (e) the persons authorised to accept applications and subscriptions for the bonds and to issue receipts for such subscriptions.
4. Bonds shall take the form of an acknowledgment by registration under regulation 8 of the ownership of capital sums lent to the Government under the Act. Forms of bonds
5. Any individual or any association of individuals which is approved for the purpose by the Bank shall be entitled to hold bonds, and no other person shall be so entitled. Persons who may be holders of bonds
6. (1) No person other than an association of individuals shall hold bonds to a value exceeding one thousand kwacha in aggregate: Maximum holdings of bonds
- Provided that such limitation shall not have effect in relation to the Workers' Compensation Commissioner in so far as purchases made by him are made in the exercise of his functions under the Workers' Compensation Act. Cap. 271
- (2) No association of individuals shall hold bonds to a value exceeding one thousand kwacha in aggregate without the consent of the Bank.
7. (1) Applications for the purchase of bonds of any issue may be made to any person described in the prospectus for that issue and shall be submitted in Form 1 of the Schedule together with the particulars of the bonds required. Manner of purchase of bonds
- (2) The applicant shall then be given a receipt by the person to whom the application is made who shall forward the application to the Bank.
- (3) On receipt of an application for bonds made under this regulation the Bank shall, unless the holding of the bonds by the person described in the application would be in conflict with any provision of the Act or these Regulations, enter the appropriate particulars in the register and that person shall thereupon be deemed to have been the holder of the bonds applied for from the date of the application and the Bank shall send to him a certificate in Form 2 of the Schedule.

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**8.** (1) The Bank shall maintain a register of bonds which shall record the name and address of every holder of bonds and the value of bonds held by him, details of every transfer and encashment of bonds and may changes in the particulars recorded.

Register of bonds

(2) The Bank may, on application by, or with the consent of, the holder of any bonds, make such amendments to the register as may necessary to correct any error in the particulars recorded therein.

**9.** The register or any copy of an entry therein which is duly certified by or on behalf of the Governor of the Bank shall be *prima facie* evidence of the particulars recorded therein.

Evidence

**10.** No interest or other benefits shall be payable on any bonds-

Interest not payable in certain circumstances

- (a) in respect of any period after the benefits payable on the bonds have, in terms set out in a prospectus, ceased to accrue;
- (b) held in excess of the amount permitted under these Regulations;
- (c) held by any person who is not entitled under these Regulations to hold bonds;
- (d) which are encashed before they have been held for a period of six months; or
- (e) in respect of any period after the death of the holder.

**11.** Where any holder of bonds becomes of unsound mind or otherwise subject to any legal disability or dies, anything which in accordance with these Regulations may be done by or to him may be done by or to the person having power in law to administer his property or estate.

Holder of bonds becoming subject to legal disability or dying

**12.** (1) On making application on Form 3 of the Schedule, any holder may encash bonds which he has held for a period of not less than six months and, subject to this regulation, the Bank shall forthwith pay to the holder the purchase price of the bonds.

Encashment of bonds

(2) Notwithstanding the provisions of sub-regulation (1)-

- (a) if the period during which benefits accrue to the holder in terms of the prospectus has not yet expired, the Bank may withhold the payment to a holder until the expiration of one month from receipt of the application for encashment; and
- (b) the Bank may in its discretion allow a holder to encash bonds at any time.

(3) Whenever the Bank makes a payment under this regulation to a holder of bonds it shall pay to the holder all unpaid interest and other benefits accrued.

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- 13.** A bond certificate shall not be negotiable and no claim shall lie against the Bank in respect of any bonds save a claim by the holder. Bond certificates not negotiable
- 14.** No notice of any trust, express, implied or constructive, shall be receivable by the Bank or recorded in the register. Notice of trust not receivable by Bank
- 15.** (1) Bonds may not be transferred from the holder to any other person without the consent of the Bank which may in its discretion refuse such consent. Transfer of bonds
- (2) In the event of a transfer of bonds, the register shall be amended accordingly and thereupon the previous holder shall cease to be a holder and the transferee shall be the holder of the bonds transferred and shall be provided with a fresh bond certificate.
- 16.** (1) Subject to sub-regulation (2), the Bank may make any payment in respect of bonds by cheque sent by registered mail to the last address furnished by the holder to the Bank, and the paid cheque shall be a full discharge to the Bank in respect of the sum for which the cheque was drawn. Payment by bank
- (2) No payment due in respect of bonds held by an individual under the age of sixteen years shall be made otherwise than by payment to the credit of the holder in a bank account or post office savings bank account.
- 17.** (1) A holder shall forthwith notify the Bank in the event of a bond certificate issued to him under these Regulations being lost, damaged or destroyed. Lost or damaged bond certificates
- (2) The Bank may issue a duplicate bond certificate in any case of loss, damage or destruction of the original.
- 18.** (1) No liability shall attach to the Government, the Bank or any officer of the Government or the Bank in respect of any payment made or act done in accordance with these Regulations. Indemnity
- (2) Nothing in these Regulations provided shall prejudice the rights of any third person against the person to whom a payment has been made in accordance with these Regulations.

SCHEDULE

(Regulations 7 and 12)

The Laws of Zambia

PRESCRIBED FORMS



APPLICATION TO PURCHASE FIVE-YEAR ZAMBIA REGISTERED DEVELOPMENT BONDS

FIRST ISSUE

This Form to be completed in triplicate

Date.....

I, (Surname) .....

(BLOCK CAPITALS PLEASE)

(Given Names) .....

apply for five-year Zambian Registered Development Bonds (First Issue) to the value of K ..... for which amount I enclose my cheque/payment.

Please send my Official Receipt to the under-noted address which will be my registered address.

Please note that the maximum individual holding of development bonds permissible is K1,000.

Bonds will be dated by the Registrar as at the date that the application form and cash value are received by the agent.

Bonds are neither negotiable nor normally transferable.

The temporary receipt, being the authenticated duplicate of this form, should be surrendered to the Registrar, The Development Bond Office, Lusaka, when the official receipt is received.

National Registration Card Number		Please detail Postal Address below
Signature or left-hand thumbprint of applicant.	If an address other than one in Zambia is given then this application must be made through a bank.	

NOT NEGOTIABLE

ZAMBIAN REGISTERED DEVELOPMENT BONDS  
FIRST ISSUE

This is to certify that (name and address of bondholder) .....  
..... is the  
holder of Zambian Registered Development Bonds described below for which the full purchase price has been paid.

Date	Bond Numbers		Holding	Value
	From	To		
				K

.....  
(value of holding thereafter)

Bonds are not normally transferable, mature five years from the date shown hereon, and earn no benefits thereafter.

.....  
*Governor,*  
*Bank of Zambia, Lusaka*

.....  
*Registrar*

APPLICATIONS FOR ENCASHMENT  
FIVE-YEAR REGISTERED DEVELOPMENT BONDS

If forwarded through an Agent,  
his stamp to appear here.

The Registrar,  
The Development Bond Office,  
Bank of Zambia,  
Lusaka.

I, (Surname) ..... (Given Names) .....  
.....  
enclose the receipt(s) in respect of

Bond(s) numbered ..... and registered in my name and  
request encashment of ..... of these Bonds total  
value K ..... plus any interest accrued thereon.

Please make payment:  
\*(a) To my bankers for the credit of my current/ savings account at  
Bank .....  
.....Branch  
.....  
\*(b) By cheque, to the undermentioned address.

FOR OFFICE USE ONLY			
Signature Checked	Amount of Interest	Initials	
		Worker	Checker

National Registration Card Number		Please detail Postal Address to which the cheque should be sent
Signature or left-hand thumbprint of applicant.		..... .....

\* Delete as necessary.