

REPUBLIC OF ZAMBIA

**THE GOVERNMENT SECURITIES ACT**

**CHAPTER 357 OF THE LAWS OF ZAMBIA**

**CHAPTER 357 THE GOVERNMENT SECURITIES ACT**

THE GOVERNMENT SECURITIES ACT

ARRANGEMENT OF SECTIONS

*Section*

1. Short title
2. Application of Act
3. Provision for payment of money due to stockholders
4. Certificate of paying agent
5. Certain subsequent legislation to be agreed with the United Kingdom Government

**CHAPTER 357**

GOVERNMENT SECURITIES

54 of 1964

**An Act to provide for the continued recognition and observance of certain obligations towards holders of Zambia Government securities issued in the United Kingdom; to authorise the Government to enter into similar obligations in relation to further issues of Zambia Government securities in the United Kingdom; and to provide for purposes connected therewith and incidental thereto.**

[24th October, 1964]

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The Laws of Zambia

1. This Act may be cited as the Government Securities Act. Short title
2. This Act shall apply to all securities heretofore created or issued in the United Kingdom on behalf of the Government of Northern Rhodesia or hereafter created or issued in the United Kingdom on behalf of the Government of Zambia- Application of Act
- (a) in which a trustee might at any time have invested by virtue of section 2 of the Colonial Stock Act, 1900, of the Parliament of the United Kingdom; or
- (b) by the conditions of issue of which it is provided that the provisions of this Act shall apply to them;
- each and all of which securities are hereinafter referred to as Zambia Government securities.
3. (1) Whenever by the final judgment, decree, rule or order of any court of competent jurisdiction in the United Kingdom any sum of money is adjudged or declared to be payable by the Government of Zambia in respect of any Zambia Government securities, that sum shall, without further appropriation than this Act, be charged on and paid out of the general revenues of Zambia and adequate funds, as and when required, shall be made available in the United Kingdom by the Government of Zambia to meet any such final judgment, decree, rule or order. Provision for payment of money due to stockholders
- (2) For the purposes of this section, "final judgment, decree, rule or order" means, in the case of an appeal, the final judgment, decree, rule or order of the ultimate court hearing the appeal.
4. A certificate specifying the sum paid under order of any such court as aforesaid to satisfy any such final judgment, decree, rule or order and issued by the agent in the United Kingdom of the Government of Zambia authorised to make such payment shall be sufficient authority to the Auditor-General or other officer having the auditing of the accounts of such agent for passing such sum without further appropriation. Certificate of paying agent
5. Legislation which appears to Her Majesty's Government in the United Kingdom to alter any of the provisions affecting Zambia Government securities to the injury of the holders thereof or to involve a departure from the original contract in regard to those securities shall not become law except after agreement with Her Majesty's Government in the United Kingdom, and if attention is drawn to such legislation after the passing thereof, the Government of Zambia will take the necessary steps to ensure such amendment as may be requested by Her Majesty's Government in the United Kingdom. Certain subsequent legislation to be agreed with the United Kingdom Government

REPUBLIC OF ZAMBIA

**THE GENERAL LOANS (GUARANTEE) ACT**

**CHAPTER 358 OF THE LAWS OF ZAMBIA**

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**THE GENERAL LOANS (GUARANTEE) ACT**

ARRANGEMENT OF SECTIONS

*Section*

1. Short title
2. Interpretation
3. Guarantee of obligations of corporation
4. Application of borrowing of corporation
5. Repayment of sums paid by United Kingdom under guarantee
6. Implementation of agreements

SCHEDULE-Form of guarantee in relation to loans by the World Bank

**CHAPTER 358**

**GENERAL LOANS (GUARANTEE)**

51 of 1964  
*Government Notice*  
497 of 1964

**An Act to empower the Government to guarantee the discharge by certain corporations of their obligations under agreements between such corporations and governments, the International Bank for Reconstruction and Development, the Commonwealth Development Corporation or other bodies or organisations outside Zambia; and to provide for matters incidental to or connected with the foregoing.**

[29th September, 1964]

1. This Act may be cited as the General Loans (Guarantee) Act. Short title
2. In this Act, unless the context otherwise requires- Interpretation

"agreement" means an agreement made between a corporation and-

- (a) a government or any division or department of a government; or
- (b) the World Bank or,
- (c) the Commonwealth Development Corporation; or
- (d) any other body or organisation outside Zambia;

"corporation" means-

- (a) the Central African Airways Corporation;
- (b) the Central African Power Corporation;
- (c) the Rhodesia Railways;
- (d) the Central Electricity Corporation Limited;
- (e) any body incorporated directly by an enactment of Parliament;

"World Bank" means the International Bank for Reconstruction and Development.

3. (1) The Minister may, on such terms and conditions as he thinks fit- Guarantee of obligations of corporation

- (a) guarantee in whole or in part the discharge by a corporation of its obligations under any agreement; and
- (b) undertake such other obligations as he may deem necessary or expedient in relation to or pursuant to any agreement;

and may give written authority to any person to sign and execute any such guarantee or undertaking as his representative.

(2) Without derogation from the generality of the powers conferred by subsection (1), a guarantee given under that subsection in respect of any loan made to a corporation by the World Bank may include a clause substantially in the form set out in the Schedule and, on the effectiveness of such guarantee, such clause shall have full force and effect in Zambia.

(3) Any sum required for fulfilling any guarantee given under subsection (1) is hereby charged on, and shall be paid by the Minister or such officer in his Ministry as he may authorise thereto out of the general revenues and assets of the Republic, which are hereby appropriated to the purpose, and any sum received by way of repayment of any sum so paid shall be paid into the general revenues of the Republic.

(4) As soon as possible after any guarantee is given under subsection (1), the Minister shall lay a statement thereof before the National Assembly.

(5) If any sum has been paid out of the general revenues and assets of the Republic under subsection (3), the Minister shall, as soon as possible after the end of each financial year of the corporation concerned, beginning with that in which the sum was paid and ending with that in which all liability in respect of that sum and any interest payable thereon is finally discharged, lay before the National Assembly a statement relating thereto.

4. Any loan made by the World Bank to a corporation in terms of an agreement shall be applied by the corporation to the purposes specified in that agreement:

Application of  
borrowing of  
corporation

Provided that any part of the loan which cannot be so applied shall be applied only to such other purposes as may be approved by the Government of the United Kingdom, the Government of Zambia and the World Bank.

5. Any sums issued out of the Consolidated Fund of the United Kingdom on account of any guarantee given by Her Majesty's Treasury in the United Kingdom in respect of any loan made to a corporation by the World Bank shall, to the extent of any guarantee given by the Minister in respect of that loan in terms of subsection (1) of section *three*, be repaid to Her Majesty's Treasury in the United Kingdom by the Minister or such officer in his Ministry as he may authorise thereto out of the general revenues and assets of the Republic, which are hereby appropriated to the purpose, with interest thereon at such rates as Her Majesty's Treasury in the United Kingdom, in consultation with the Minister, may fix.

Repayment of sums paid by United Kingdom under guarantee

6. Notwithstanding anything contained in any written law, the President may exercise all such powers and authorities and do or cause to be done all such things as appear to him to be necessary for giving full and complete effect to any guarantee given, and for the carrying out of any obligations undertaken by the Minister under subsection (1) of section three.

## SCHEDULE

(Section 3)

Implementation of agreements

### FORM OF GUARANTEE IN RELATION TO LOANS BY THE WORLD BANK

It is the mutual intention of Zambia and the Bank that no other external debt shall enjoy any priority over the Loan by way of alien on governmental assets. To that end, Zambia undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of Zambia as security for any external debt, such lien will *ipso facto* equally and rateably secure the payment of one-half of the principal of, and one-half of the interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provisions will be made to that effect; provided, however, that the foregoing provisions of this Schedule shall not apply to:

- (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property;
- (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or
- (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term "assets of Zambia" as used in this Schedule includes assets of Zambia or of any of its political subdivisions or of any agency of Zambia or of any such political subdivision, including its share of the assets of the Bank of Rhodesia and Nyasaland or of any other agency fulfilling similar functions in Zambia.