

The Laws of Zambia

REPUBLIC OF ZAMBIA

THE LOANS AND GUARANTEES (AUTHORISATION) ACT

CHAPTER 366 OF THE LAWS OF ZAMBIA

CHAPTER 366 THE LOANS AND GUARANTEES (AUTHORISATION) ACT

THE LOANS AND GUARANTEES (AUTHORISATION) ACT

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CHAPTER 366

LOANS AND GUARANTEES
(AUTHORISATION)

28 of 1969
39 of 1969
30 of 1972
7 of 1977
2 of 1979
2 of 1982
13 of 1994

An Act to provide for the raising of loans, the establishment of sinking funds, the giving of guarantees and indemnities and the granting of loans by or on behalf of the Government; and to provide for matters incidental thereto and connected therewith.

[8th August 1969]

PART I

PRELIMINARY

1. This Act may be cited as the loans and Guarantees (Authorisation) Act. Short title

2. Nothing in this Act shall apply in relation to the raising of any loan under- Application
 - (a) the Bretton Woods Agreement Act; Cap. 367
 - (b) the International Development Association Act; Cap. 363
 - (c) the General Loans (International Bank) Act; or Cap. 365
 - (d) the Development Bond Act. Cap. 379

(No. 39 of 1969)

PART II

GENERAL BORROWING POWERS

3. The Minister may raise from time to time, in the Republic and elsewhere, on behalf of the Government such loans as he may deem desirable, not exceeding in the amount outstanding at any one time- Power to raise loans

(a) in the case of loans raised under this Act for a period of not more than one year; or

(b) in the case of loans raised under this Act for a period in excess of one year;

such amount as he shall from time to time be authorised by resolution of the National Assembly to prescribe by statutory instrument.

4. (1) The amount of all loans raised under this Act for a period of not more than one year shall be paid into an account (hereinafter referred to as " the Special Deposit Account") which is hereby established for that purpose. Application of loans

(2) The amount of all loans raised under this Act for a period in excess of one year shall be paid into the general revenues of the Republic.

(3) Notwithstanding any other provision contained in this Act, any loan raised under this Act for a specific purpose shall be applied to that purpose and to no other purpose.

(As amended by No. 30 of 1972)

5. (1) All debt charges arising from the raising of any loan under this Act shall be charged on the general revenues of the Republic: Debt charges

Provided that, in the case of loans raised for a period of not more than one year, the repayment or amortisation of debt shall be paid out of the funds in the Special Deposit Account, and the interest and all expenses necessarily incurred in connection with the raising or repayment of any loan under this subsection shall be charged on the general revenues of the Republic.

(2) There shall be included in the financial report prepared in respect of any financial year pursuant to Article 118 of the Constitution, a statement showing the particulars of debt charges paid in that financial year in respect of any loan raised under this Act or any other written law.

(3) For the purposes of this section, "debt charges" includes interest, sinking fund charges, the repayment or amortisation of debt and all expenses necessarily incurred in connection with the raising or the repayment of any loan under this Act.

(As amended by No. 30 of 1972)

PART III

METHODS OF RAISING LOANS

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- 6.** Subject to the provisions of this Act, a loan may be raised under this Act by any of the following methods, that is to say:
- (a) by the issue of bonds or stock;
 - (b) by the issue of treasury bills; or
 - (c) by agreement in writing.
- 7.** Any loan raised under this Act shall be raised in accordance with such conditions and upon such terms as the Minister shall, in respect of such loan, direct.
- 8.** In the case of any loan raised under this Act by the issue of bonds or stock or treasury bills, the Bank of Zambia shall, as the agent of the Minister-
- (a) undertake and perform such functions as may be prescribed in connection therewith;
 - (c) perform such functions relating to the investment and management of any sinking fund established in respect of the loan as the Minister may from time to time direct.

Methods of raising loans

Minister to determine terms, etc., of loans

Functions of Bank of Zambia

PART IV

SINKING FUNDS

- 9.** (1) Whenever any bonds or stock are issued in respect of a loan raised under this Act for a period of more than ten years, the Minister shall cause to be established a sinking fund for the purpose of redeeming such bonds or stock.
- (2) Whenever any bonds or stock are issued in respect of a loan raised under this Act for a period of not more than ten years, the Minister may, if it appears to him desirable in the public interest, cause to be established a sinking fund for the purpose of redeeming such bonds or stock.
- 10.** The Minister may cause to be established a sinking fund for the purpose of redeeming any loan raised under this Act by agreement in writing or any loan raised under the provisions of any other written law.
- 11.** Whenever a sinking fund is established under section *nine* or *ten* in respect of any loan, the annual rate of contribution to such sinking fund shall be sufficient to provide for the redemption, upon the expiry of the period of such loan, of not less than seventy-five per centum of the principal of such loan.

Establishment of sinking funds for redemption of bonds or stock

Establishment of sinking funds in other cases

Annual contribution to sinking fund

12. In the event of any sinking fund established under this Act being found, at the time fixed for the repayment of any loan in respect of which it is established, to be insufficient for such redemption, the deficiency shall be a charge upon, and shall be made good out of, the general revenues of the Republic.

Deficiency in sinking fund to be charged upon general revenues

13. (1) The Minister may give directions in respect of the establishment, management and control of any sinking fund required or permitted to be established under this Act, and such directions may include directions that a joint sinking fund shall be established in respect of two or more loans or, in the case of any loan raised partly from sources in Zambia and partly from sources outside Zambia, that different sinking funds shall be established in respect of different portions of such loan.

Power of Minister to give directions in respect of sinking funds

(2) The power of the Minister to give directions under this section in relation to any sinking fund shall be deemed to be in addition to any other power conferred upon him under this Act to make provision in relation to the same matter.

PART V

GUARANTEES AND INDEMNITIES

14. (1) Subject to the provisions of section *fifteen*, the Minister may, if it appears to him necessary or expedient in the public interest, guarantee, on such terms and conditions as he may think fit, the repayment to any person ordinarily resident in Zambia of any loan or any portion of a loan borrowed from such person by-

Power to give guarantees

- (a) any body specified, or belonging to a class specified, in the Schedule;
- (b) any person for or in connection with the purchase or provision of housing under any housing scheme approved by the Minister;
- (c) any person approved for the purpose of this subsection by resolution of the National Assembly.

(2) Subject to the provisions of section *fifteen*, the Minister may, if it appears to him necessary or expedient in the public interest, guarantee, on such terms and conditions as he may think fit, the repayment to any person ordinarily resident outside Zambia of any loan or portion of a loan borrowed from such person by-

- (a) any body specified, or belonging to a class specified in the Schedule;
- (b) any person approved for the purpose of this subsection by resolution of the National Assembly.

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(3) Subject to the provisions of section *fifteen*, the Minister may, if it appears to him necessary or expedient in the public interest, guarantee, on such terms and conditions as he may think fit, the performance of any contractual obligation involving or relating to the payment of money in favour of any person ordinarily resident outside Zambia by-

- (a) any body specified, or belonging to a class specified in the Schedule;
- (b) any person approved for the purpose of this subsection by resolution of the National Assembly.

(4) The terms and conditions on which any guarantee may be given under the provisions of this section shall include the payment in Zambian currency of two per centum of the amount involved in the loan or, as the case may be, in the contractual obligation to which the guarantee relates:

Provided that the Minister may, by statutory notice, exempt any loan or contract from the condition contained in this subsection.

(5) All the monies collected under subsection (4) shall be paid into the general revenues of the Republic.

*(As amended by Act No. 7 of 1977
and No. 2 of 1979).*

15. (1) The total contingent liability at any one time under all guarantees given under subsection (1) of section *fourteen* shall not exceed such amount as the Minister shall from time to time be authorised by resolution of the National Assembly to prescribe by statutory instrument.

Maximum amount of
guarantees

(2) The total contingent liability at any one time under all guarantees given under subsections (2) and (3) of section *fourteen* shall not exceed such amount as the Minister shall from time to time be authorised by resolution of the National Assembly to prescribe by statutory instrument.

(3) In determining the total contingent liability under subsections (1) and (2) of this section, no account shall be taken of any interest or other sum accrued or which may accrue (other than the principal sum) and which may become payable in respect of any loan or any portion of a loan guaranteed pursuant to section *fourteen*.

(4) Any guarantee given pursuant to section *fourteen* shall be valid if, after taking such guarantee into account, the total contingent liability determined in accordance with subsection (3) of this section is within the limit prescribed under subsection (1) of this section or subsection (2) of this section, as the case may be, at the date when such guarantee is given.

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(5) Subsections (3) and (4) of this section shall have effect in relation to all guarantees which are outstanding at the commencement of this Act as well as to all guarantees entered into after the commencement of this Act.

(As amended by Act No. 2 of 1982)

16. The Minister may, if it appears to him necessary or expedient in the public interest, indemnify any person, by agreement in writing and subject to such terms and conditions as the Minister may think fit, against any claim directly arising from any act or omission on the part of such person or his servants or agents in the performance by such person or his servants or agents of any agreement between such person and the Government.

Indemnities

17. Whenever he is authorised to do so by resolution of the National Assembly, the Minister shall pay out of the general revenues of the Republic any sum required for discharging any liability incurred by the Government under any guarantee or indemnity given under this Act:

Guarantees and indemnities to be paid out of general revenues

Provided that any sum paid to the Government in respect of any such guarantee or indemnity by way of repayment of the sum guaranteed or indemnified or any portion thereof shall be paid into the said general revenues.

18. For the purposes of this Part, any guarantee or indemnity given prior to the commencement of this Act, other than a guarantee or indemnity given under any written law, shall be deemed to have been given under this Act if such guarantee or indemnity-

Application of Part V to previous guarantees and indemnities

- (a) is a guarantee or indemnity subsisting at the commencement of this Act; and
- (b) is a guarantee or indemnity in respect of which the Government may incur any liability for the payment of money.

19. There shall be included in the financial report prepared in respect of any financial year pursuant to the Constitution a statement showing the particulars of all guarantees given under this Act, or any other written law, and subsisting at the end of that year.

Information relating to guarantees to be included in financial report.
Cap. 1

PART VI

POWER TO GRANT LOANS

20. (1) Subject to the provisions of subsection (2), loans may be granted out of the cash balances of the Republic up to the amount standing at any time to the credit of the Special Deposit Account by debiting the loans to a Special Advance Account which is hereby established for that purpose.

Power to grant loans out of cash balances

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(2) On such terms and conditions as he may think fit, the Minister may by agreement in writing, if it appears to him necessary or expedient in the public interest, grant loans under subsection (1) to-

- (a) any body specified, or belonging to a class specified, in the Schedule;
- (b) any person approved for the purpose of this section by resolution of the National Assembly:

Provided that no loan shall be granted under this section for a period exceeding one year.

(As amended by Act No. 30 of 1972)

21. (1) Save as may be provided by any other written law, no loan shall be granted out of the general revenues of the Republic except in accordance with this section.

Power to grant loans out of general revenues

(2) After a warrant is issued by the President, under the Constitution, the Minister may, by agreement in writing, grant loans out of the general revenues of the Republic, not exceeding in the aggregate such amount as may be so authorised, to any person or body specified in such warrant.

Cap. 1

(3) Any loan granted under this section may be granted upon such terms and subject to such conditions as the Minister may deem fit.

(As amended by No. 30 of 1972)

22. For the purposes of this Part, any loan granted by the Government to any person prior to the commencement of this Act, other than a loan granted under any written law, shall be deemed to have been granted under this Act.

Application of Part VI to loans previously granted

23. There shall be included in the financial report prepared in respect of any financial year pursuant to Article 118 of the Constitution, a statement showing the particulars of any loan granted under this Act or any other written law in respect of which there was a balance outstanding at any time during that year:

Information relating to loans granted by Government to be included in financial report

Provided that the provisions of this section shall be deemed to have been complied with if there is included in the financial report an aggregate of the particulars of any loan or loans granted to a borrower or to a class of borrowers.

(As amended by No. 30 of 1972)

PART VII

SUPPLEMENTAL

24. Neither the Minister nor any person appointed to perform any functions under this Act shall be under an obligation as regards the due fulfilment of any trust, whether expressed, implied or constructive, to which any bond, stock or treasury bill issued under this Act may be subject, notwithstanding that the Minister or such person has had notice that the bond, stock or treasury bill is held subject to a trust.

Minister or other persons not responsible for fulfilment of trusts attaching to bonds, stock or treasury bills

25. Any bonds or stock issued under this Act shall be deemed for all purposes to be an authorised investment for trust funds.

Trust funds

26. If, during any period when the National Assembly is not sitting, the Minister considers that there is such an urgent need to raise any loan or to give any guarantee under this Act that it would not be in the public interest to delay the raising of such loan or the giving of such guarantee until the National Assembly next sits, the Minister may, if so authorised by the President, amend any statutory instrument promulgated in terms of section *three* or *fifteen* by varying any sum specified in such statutory instrument to the extent necessary to permit the raising of such loan or the giving of such guarantee, as the case may be.

Power of Minister when National Assembly not sitting

27. The ⁽¹⁾Minister may, by statutory order, delegate to such public officer as may be specified in the order the performance of any function conferred upon the Minister under this Act:

Minister may delegate functions to public officer

*Functions delegated to Permanent Secretary, Ministry of Finance, by S.I. No. 363 of 1969.

Provided that the Minister shall not delegate the power to make any statutory instrument under this Act.

28. (1) The Minister may, by statutory instrument, make regulations to provide for the better carrying out of this Act, and, generally, providing for the raising of loans, the establishment and management of sinking funds, the giving of guarantees and indemnities, the granting of loans out of the general revenues of the Republic and for such other matters in respect of which provision is made in this Act.

Regulations

(2) Regulations under this section may provide in respect of any contravention thereof that the offender shall be guilty of an offence and shall be liable to a fine not exceeding seven thousand five hundred penalty units or to a term of imprisonment not exceeding five years, or to both.

(As amended by Act No. 13 of 1994)

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29. (1) As from the commencement of this Act, no loans shall be raised for or on behalf of the Government except under the authority of this Act or of any written law thereafter enacted which specifically authorises the raising of any such loan:

General restriction on raising of loans

Provided that nothing hereinbefore contained shall affect the operation of any written law in force immediately prior to the commencement of this Act in relation to any loan raised under the authority of such written law.

(2) For the purposes of this Act and for the avoidance of doubt, any loan raised prior to the commencement of this Act under any written law shall be deemed to have been raised under the authority of section *three*, and any function performed by the Bank of Zambia in connection with the issue and registration of any securities issued in respect of any such loan shall be deemed to have been performed in pursuance of section *eight*, but, save as so provided, the provisions of the said written law shall continue to apply in relation to any such loan.

*Functions delegated to Permanent Secretary, Ministry of Finance, by S.I. No. 363 of 1969.

SCHEDULE
(Sections 14 and 20)

SPECIFIED BODIES

1. Any body corporate directly established by any written law.
2. Any co-operative society registered under the Co-operative Societies Act (Cap. 397).
3. Any local authority established under the Local Government Act (Cap. 281).
4. Public utilities.
5. Any body corporate in which shares are held by or on behalf of the Government.

SUBSIDIARY LEGISLATION

SECTIONS 3 AND 15-THE LOANS AND GUARANTEES (MAXIMUM AMOUNTS) ORDER.

Statutory Instrument
112 of 1991

Order by the Minister

1. This Order may be cited as the Loans and Guarantees (Maximum Amounts) Order.

Title

2. (1) The amount outstanding at any one time on loans raised within the Republic payable over a period of not more than one year shall not exceed twenty thousand million kwacha.

Maximum on amounts of loans raised within Republic

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(2) The amount outstanding at any one time on loans raised within the Republic repayable over a period of more than one year shall not exceed two thousand million kwacha.

3. The amount outstanding at any one time on loans raised outside the Republic shall not exceed six hundred thousand million kwacha.

Maximum amount of
loans raised outside
Republic

4. (1) The total contingent liability at any one time in respect of guarantees given in terms of subsection (1) of section *fourteen* of the Act to persons ordinarily resident in Zambia shall not exceed eight thousand million kwacha.

Maximum amounts of
guarantees

(2) The total contingent liability at any one time in respect of guarantees given in terms of subsections (2) and (3) of section *fourteen* of the Act to persons ordinarily resident outside Zambia shall not exceed thirty thousand million kwacha.

THE LOANS (LOCAL REGISTERED STOCK)
(NO. 3 AND NO. 4) REGULATIONS

ARRANGEMENT OF REGULATIONS

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SECTION 28-THE LOANS (LOCAL REGISTERED STOCK)
(NO. 3 AND NO. 4) REGULATIONS

Statutory Instrument
459 of 1969

Regulations by the Minister

Whereas it is desirable to raise in Zambia, by way of loans, a sum not exceeding in the aggregate K6,000,000 under and pursuant to the Loans and Guarantees (Authorisation) Act; Preamble

And whereas it is desired to raise K4,000,000 of the said sum by the issue of stock to be known as 5.75% Local Registered Stock 1974-B (hereinafter called "Issue No. 3 of 1969");

And whereas it is desired to raise K2,000,000 of the said sum by the issue of stock to be known as 6.5% Local Registered Stock 1987/92-B (hereinafter called "Issue No. 4 of 1969");

And whereas the Minister responsible for finance is empowered under section *twenty-eight* of the Loans and Guarantees (Authorisation) Act to make regulations with respect to the raising of loans under that Act;

Now therefore in exercise of the powers conferred upon the Minister by section *twenty-eight* of the said Act, the following Regulations are hereby made:

1. These Regulations may be cited as the Loans (Local Registered Stock) (No. 3 and No. 4) Regulations. Title
2. These Regulations shall apply to Issue No. 3 of 1969 and Issue No. 4 of 1969. Application
3. In these Regulations, unless the context otherwise requires- Interpretation
 - "register" means the register kept in relation to stock pursuant to these Regulations;
 - "registered stock" means stock registered under these Regulations;
 - "registrar" means the Bank of Zambia and includes any person for the time being authorised by the Bank of Zambia to exercise and perform the functions of the registrar under these Regulations;
 - "stock" means Issue No. 3 of 1969 and Issue No. 4 of 1969 referred to respectively in the preamble to these Regulations;
 - "stockholder" means a person holding registered stock who is entered as the owner thereof in the register.

The Laws of Zambia

4. The Bank of Zambia shall, in accordance with the directions of the Minister, make all such arrangements as may be necessary in connection with the issue of the stock and shall prepare and publish in respect of each issue thereof a prospectus setting forth the terms and conditions and such other particulars relating thereto as the Minister may direct.

General duty of Bank of Zambia

5. The Bank of Zambia shall keep a register in respect of each issue of stock in which such stock and all transfers and dealings in such stock shall be registered, and in which there shall be entered all such matters as are required by these Regulations to be entered in the register.

Register

6. (1) The Government shall be bound to pay to any person registered for the time being as a stockholder the principal sum represented by his registered stock, and the interest due thereon, at the rate and on the dates specified in the prospectus relating thereto or, where an option to redeem such stock at an earlier date is reserved by direction of the Minister in such prospectus, in pursuance of such option.

Liability of Government for payment of principal and interest

(2) Where any amount has become payable on any date as interest due on any registered stock, no interest on that amount shall, after that date, be paid or payable to any person in any circumstances.

7. (1) No person shall be entitled to any registered stock unless he is registered as a stockholder in respect thereof.

Stockholder

(2) No person shall be registered as a first stockholder of any stock except upon payment in full of the purchase price of that stock.

8. (1) Every stockholder shall be entitled to obtain from the registrar a stock certificate in respect of his stock.

Stock certificate

(2) No stockholder, other than the first stockholder of any stock, shall be entitled to obtain a stock certificate save upon payment of such fee as the registrar may from time to time determine.

(3) Stock certificates in respect of any stock shall be in such form as the registrar may determine.

9. The title of any stockholder to any registered stock shall not be deemed to be transferred to any other person save upon the execution of such instrument of transfer as may be approved by the registrar and upon the registration of the transferee as the stockholder.

Transfer of stock

The Laws of Zambia

- 10.** No person shall be registered as the transferee of any registered stock except upon surrender to the registrar of the stock certificate and the instrument of transfer relating to that stock and upon payment of such fee in respect thereof as the registrar may from time to time determine. Registration of transfer of stock
- 11.** Interest which has fallen due in respect of any registered stock at the date of any transfer of such stock, but which has not been paid to the stockholder for the time being, shall not be deemed to be payable to a transferee of that stock unless the instrument of transfer expressly provides for the payment of that interest to that transferee. Payment of interest after transfer
- 12.** The register relating to any stock shall be closed for a period of twenty-one days immediately preceding each date upon which interest on that stock falls due and no transfer of that stock shall be registered during that period. Closing of register
- 13.** Entries in a register shall be conclusive evidence of the facts, matters, particulars and transactions to which those entries relate, and a copy of any entry in a register shall, if certified under the hand of any person thereunto authorised by the registrar to be a true copy of such entry, be admissible in evidence in any proceedings before a court. Register conclusive evidence
- 14.** No person shall be entitled to claim interest on any registered stock in respect of any period which has elapsed after the earliest date on which demand could lawfully have been made for the payment of the principal amount due on such stock. Cessation of liability to pay interest
- 15.** All payments of interest and all payments of the principal amount due on any registered stock shall be made by the Bank of Zambia. Payments
- 16.** The liability of the Government in respect of any registered stock redeemed on or after the date on which payment of the principal amount becomes due shall be discharged after the lapse of six years from that date. Discharge of liability for payment
- 17.** (1) Subject to the directions of the Minister, the registrar may, on the application of any person claiming to be entitled to any registered stock and on surrender to the registrar of the stock certificate relating to such stock, consolidate or subdivide such stock and issue to the applicant one or more new stock certificates as may be required. Consolidation and subdivision
- (2) There shall be payable in respect of an application under sub-regulation (1) such fee as the registrar may determine.
- 18.** The registrar may issue duplicate stock certificates and renewals of stock certificates in such circumstances as the Minister may, by direction, specify. Issue of duplicates and renewals

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- 19.** Where application is made to the registrar for the issue of a duplicate stock certificate or for the renewal of any stock certificate or for the consolidation or subdivision of any registered stock, the registrar may require the applicant, as a condition precedent to the grant of the application, to execute a bond with or without sureties undertaking to indemnify the Government against the claims of all persons claiming under the original stock certificate or under the stock consolidated or subdivided, as the case may be.
- 20.** Save in so far as any provision thereof is inconsistent with these Regulations, the Local Loans (Registered Stock) Regulations shall apply, *mutatis mutandis*, in relation to any stock to which these Regulations apply as those Regulations apply in relation to stock issued under the Local Loans (Registered Stock and Securities) Act, and any reference in those Regulations to the Minister shall, for the purpose of this regulation, be read and construed as a reference to the registrar.
- 21.** The signature of the registrar may be printed, stamped, engraved or impressed by any mechanical process on any stock certificate, and a signature so printed, stamped, engraved or impressed shall be as valid as if it had been inscribed under the hand of the registrar.
- 22.** No notice of any trust in respect of any registered stock shall be receivable by the registrar.
- 23.** All documents or instruments made or used for the purposes of these Regulations shall be in such form as the registrar may, subject to these Regulations and to the directions of the Minister, determine.
- 24.** (1) No person shall be entitled to inspect, or to receive information derived from, any registered stock in the possession of the registrar or of the Government or any register, book or other document kept or maintained by or on behalf of the Government in relation to registered stock save on payment of such fee and in such circumstances as the registrar may determine.
- (2) Nothing in sub-regulation (1) shall apply to the Auditor-General or the Commissioner of Taxes.

Indemnity bonds

Application of Local Loans (Registered Stock) Regulations. Cap. 584

Signature of registrar may be printed on stock certificates

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THE LOANS (STOCK, BONDS AND TREASURY BILLS) REGULATIONS

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SECTION 28-THE LOANS (STOCK, BONDS AND TREASURY BILLS) REGULATIONS

Statutory Instrument
85 of 1970

Regulations by the Minister

PART I
PRELIMINARY

1. These Regulations may be cited as the Loans (Stock, Bonds and Treasury Bills) Regulations. Title

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

"bonds" means any bonds issued under the Act in respect of a loan;

"certificate" includes a duplicate or renewal of any certificate issued in respect of any stock or bonds under these Regulations;

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"holder", in relation to stock or bonds, means a person holding registered stock or bonds who is registered as the owner thereof;

"register" means a register kept in relation to stock or bonds pursuant to these Regulations, and "registered" and "registration" shall be construed accordingly;

"registrar" means the Bank of Zambia;

"stock" means any stock issued under the Act in respect of a loan;

"treasury bills" means any treasury bills issued under the Act.

3. The Bank of Zambia shall, in accordance with the directions of the Minister, make all such arrangements as may be necessary from time to time in connection with the issue and management of stock, bonds or treasury bills.

General duty of Bank of Zambia

PART II

TREASURY BILLS

4. In the case of any loan raised under the Act by the issue of treasury bills, the Bank of Zambia shall, as the agent of the Minister, undertake and perform such functions as may be necessary, proper or advantageous in connection with the issue and subsequent administration of such treasury bills.

Bank of Zambia to be agent of Minister

PART III

REGISTRATION OF STOCK AND BONDS

5. The Bank of Zambia shall keep a register in respect of each issue of stock or bonds in which such stock or bonds and all transfers of and dealings in such stock or bonds shall be registered, and in which there shall be entered all such matters as are required by these Regulations to be entered in the register.

Registers to be kept

6. (1) No person shall be entitled to any registered stock or bonds unless he is registered as the holder thereof.

Registration of holders of stock or bonds

(2) No person shall be registered as a first holder of any stock or bonds except upon payment in full of the purchase price of such stock or bonds.

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7. (1) Every holder of stock or bonds shall be entitled to obtain from the registrar a certificate in respect of his stock or bonds.

Stock certificates and bond certificates

(2) No holder of stock or bonds other than the first holder thereof shall be entitled to obtain a stock certificate or bond certificate save upon payment of such fee as the registrar may from time to time determine.

(3) Stock certificates or bond certificates in respect of any stock or bonds shall be in such form as the registrar may determine.

8. The title of any holder to any registered stock or bonds shall not be deemed to be transferred to any other person save upon the execution of such instrument of transfer as may be approved by the registrar and upon the registration of the transferee as the holder of such stock or bonds.

Transfer of stock or bonds

9. No person shall be registered as the transferee of any registered stock or bonds except upon the surrender to the registrar of the appropriate stock certificate or bond certificate and the instrument of transfer relating to such stock or bonds and upon payment of such fee in respect thereof as the registrar may from time to time determine.

Registration of transfers

10. The register relating to any stock or bonds shall be closed for a period of twenty-one days immediately preceding each date upon which interest on such stock or bonds falls due and no transfer of such stock or bonds shall be registered during that period.

Closing of register

11. Entries in a register shall be conclusive evidence of the fact, matters, particulars and transactions to which those entries relate, and a copy of any entry in a register shall, if certified under the hand of any person thereunto authorised by the registrar to be a true copy of such entry, be admissible in evidence in any proceedings before a court.

Register conclusive evidence

12. (1) The registrar may, on the application of any person claiming to be entitled to any registered stock or bonds and on surrender to the registrar of the stock or bond certificate relating to such stock or bonds, consolidate or subdivide such stock or bonds and issue to the applicant one or more new stock or bond certificates as may be required.

Consolidation and subdivision

(2) There shall be payable in respect of an application under sub-regulation (1) such fee as the registrar may determine.

13. The registrar may issue duplicates and renewals of certificates relating to stock or bonds in such circumstances as the Minister may, by direction, specify.

Issue of duplicates and renewals

14. Where application is made to the registrar for the issue of a duplicate stock or bond certificate or for the renewal of any stock or bond certificate or for the consolidation or subdivision of any registered stock or bonds, the registrar may require the applicant, as a condition precedent to the grant of the application, to execute a bond with or without sureties undertaking to indemnify the Government against the claims of all persons claiming under the original certificate or under the stock or bonds consolidated or subdivided, as the case may be.

Indemnity bonds

15. The signature of any authorised officer of the registrar may be printed, stamped, engraved or impressed by any mechanical process on any stock certificate or bond certificate, and a signature so printed, stamped, engraved or impressed shall be as valid as if it had been inscribed under the hand of such officer.

Signature on certificate

16. No notice of any trust in respect of any registered stock or bonds shall be receivable by the registrar.

Notice of trust not receivable

17. (1) No person shall be entitled to inspect or to receive information derived from any registered stock or bonds in the possession of the registrar or of the Government or any register, book or other document kept or maintained by or on behalf of the Government in relation to registered stock or bonds save on payment of such fee and in such circumstances as the registrar may determine.

Inspection of register and documents

(2) Nothing in sub-regulation (1) shall apply to the Auditor-General or the Commissioner of Taxes.

PART IV

PAYMENT OF INTEREST

18. (1) The Government shall be bound to pay to any person registered for the time being as the holder of any stock or bonds the principal sum represented by his registered stock or bonds, and the interest due thereon, at the rate and on the dates specified in the prospectus relating thereto or, where an option to redeem such stock or bonds at an earlier date is reserved by direction of the Minister in such prospectus, in pursuance of such option.

Liability of Government for payment of principal and interest

(2) Where an amount has become payable on any date as interest due on any registered stock or bonds, no interest on that amount shall, after that date, be paid or payable to any person in any circumstances.

19. No person shall be entitled to claim interest on any registered stock or bonds in respect of any period which has elapsed after the earliest date on which demand could lawfully have been made for the payment of the principal amount due on such stock or bonds.

Cessation of liability to pay interest

The Laws of Zambia

- 20.** Interest which has fallen due in respect of any registered stock or bonds at the date of any transfer of such stock or bonds but which has not been paid to the holder for the time being of such stock or bonds shall not be deemed payable to a transferee of such stock or bonds unless the instrument of transfer expressly provides for the payment of that interest to that transferee. Payment of interest after transfer
- 21.** All payments of interest and all payments of the principal amount due on any registered stock or bonds shall be made by the Bank of Zambia. Payments to be made by Bank of Zambia
- 22.** The liability of the Government in respect of any registered stock or bonds redeemed on or after the date on which payment of the principal amount becomes due shall be discharged after the lapse of six years from that date. Discharge of liability of Government
- 23.** (1) The interest due on any registered stock or bonds shall be paid by warrant to the registered holder thereof or to any branch of any bank within Zambia, person or body of persons to whom the holder has by request duly made to the registrar authorised the registrar to issue such warrant. Method of payment, and acknowledgment
- (2) No warrant shall be paid until the receipt thereon for the amount thereby payable has been duly signed, and such receipt shall be a full discharge to the Government and to the registrar for the payment of the sum named in the warrant.
- (3) The posting of a letter containing a warrant sent by the registrar in pursuance of these Regulations addressed to any person at the last address furnished by that person to the registrar shall, as regards the liability of the Government and of the registrar, be equivalent to the delivery of the warrant to the person to whom the letter was addressed.
- (4) Where in pursuance of these Regulations or in accordance with any authority given thereunder any payment is to be made by the registrar to a firm or a body of persons whether corporate or unincorporate, a receipt for the payment given by any person purporting to be an agent or officer of that firm or body and to be authorised to receive the payment shall be a full discharge to the Government and the registrar for the amount paid.
- (5) Where any stock or bonds are registered in the names of two or more persons as joint holders, the registrar may, unless other arrangements with respect to the payment of interest have been made in accordance with these Regulations, pay any interest thereon to the holder whose name appears first in the register.
- (6) A receipt for the payment of interest on any stock or bonds which is given by any one of two or more joint holders of such stock or bonds shall, unless notice in writing to the contrary has been received by the registrar from any other joint holder of such stock or bonds, be a full discharge to the registrar and the Government for the payment of that interest.

PART V

GENERAL PROVISIONS

24. All documents or instruments made or used for the purpose of these Regulations shall be in such form as the registrar may, subject to these Regulations, determine. Form of documents, etc.

25. (1) The loss or destruction of any stock certificate or bond certificate issued by the registrar shall be notified in writing to him as soon as practicable by the person entitled to the possession thereof. Notice of loss or destruction of certificates

(2) Upon receipt of such notification the registrar shall cause to be published in the *Gazette* a notice stating that the certificate has been lost or destroyed, as the case may be, and that he proposes, after the expiration of two calendar months from the date of such notice, to issue a duplicate of such certificate.

(3) The person giving such notification shall also be required to issue a notice in a local newspaper, circulating in the district of his residence, stating that the certificate has been lost or destroyed, as the case may be, and that he proposes to apply to the registrar for the issue of a duplicate.

26. (1) Subject to the provisions of these Regulations, any application with respect to stock or bonds in the names of two or more persons as joint holders shall be made by all such persons. Provisions relating to joint holders

(2) The joint holders of any stock or bonds may authorise any person, including one of themselves, to act as their agent in respect of such stock or bonds and the provisions of these Regulations relating to the authorisation of agents shall apply accordingly.

(3) Where any stock or bonds are registered in the names of three or more holders and an application in that behalf is made in respect of such stock or bonds in accordance with the provisions of this regulation, all things required to be done for the purpose of dealing with such stock or bonds may, subject to the provisions of these Regulations, be done and given by a majority of the persons who are the holders thereof at the date when the application is made, or, in the case of the death of any such persons, by a majority of the survivors of them.

(4) An application for the purpose of this regulation shall be made in writing to the registrar.

(5) A person who is registered as one of the holders of any stock or bonds with respect to which an application has been made under this regulation, may give notice in writing to the registrar that the application is revoked, and on notice being so given the provisions of this regulation shall, as from the receipt of the notice by the registrar, cease to apply to such stock or bonds.

27. (1) In the event of stock or bonds being registered incorrectly owing to any mistake in the request for registration or transfer, the account relating thereto shall be amended upon the receipt of a letter or declaration, as the case may require, stating how the error arose. In the event of alteration to any name or names in the account which has been necessitated by reason of a transfer, a re-execution of the transfer shall be made by the transferor or by his solicitor. Alterations in register

(2) On the marriage of a female holder, her name and description shall be altered in the register with respect to stock or bonds standing either in her name solely or jointly with any other persons, on such holder producing to the registrar her marriage certificate, and notifying her change of address, if any, and giving full particulars of the accounts in which it is desired to have the alterations made. Specimens of her present and former signatures shall be furnished, and the husband shall not be required to join in the notification.

28. If the holder of any stock or bonds becomes of unsound mind or otherwise subject to legal disability, anything which under these Regulations may be done by or in relation to such holder may be done by or in relation to the person, if any, having power in law to administer the property of such holder, subject to the prior production to the registrar of documentary proof of such power to the satisfaction of the registrar. Persons under legal disability

29. (1) Subject to the provisions of these Regulations, any holder may give an authority in writing authorising any person to act as his agent with respect to stock or bonds held by him or with respect to any interest arising therefrom and such authority may- Appointment of agents

- (a) relate to the whole of such stock or bonds or to any unit thereof which may at any time be held by the person giving the authority or to the whole of such stock or bonds or to any unit thereof which is held by him at the time when the authority is given; and
- (b) authorise the person to whom the authority is given to deal with the stock or bonds or interest to which it relates either generally at his discretion or subject to any directions contained in the authority.

(2) An authority given under this regulation shall be of no effect unless and until it is delivered to the registrar.

(3) An authority given under this regulation may be revoked at any time by the person by whom it was given and shall be determined by the death, bankruptcy or legal disability of that person:

Provided that any payment duly made by the registrar under these Regulations in compliance with an authority given under this regulation shall, notwithstanding the revocation or determination of such authority, be deemed for all purposes to be a valid payment unless notice in writing of the revocation had been received by, or the death, bankruptcy or disability had come to the knowledge of, the registrar at the time when the payment was made.

(4) An authority given under this regulation shall, subject to the terms thereof, until revoked or determined-

- (a) remain in force notwithstanding any increase or decrease in the nominal value of the stock or bonds to which it relates;
- (b) entitle the person to whom it is given to make any application and sign any document mentioned in these Regulations and to receive any payment in pursuance thereof.

30. (1) The death of a holder shall be proved by production of either probate of the will or letters of administration, or copies of such probate or letters certified by a Notary Public to be true copies, and, where necessary, a declaration as to the identity of the deceased shall be made by some disinterested person.

Death of holder

(2) On the completion of the proof of death of a holder in a joint account, the stock or bonds shall be held at the disposal of the survivor or survivors, but the name of the deceased holder shall not be removed from the account.

(3) On the death of the last survivor in a joint account the stock or bonds, as the case may be, and interest thereon shall be held at the disposal of the executors or administrators of such last survivor.

31. Information with regard to a stock or bonds account shall only be furnished at the request of a holder to whom such account relates or his duly appointed representative.

Information as to stock or bonds account

32. The Government, the registrar, and any person acting under his authority, shall not be liable without proof of negligence or fraud in respect of any payment duly made or act duly done in accordance with these Regulations, and any such payment shall, subject to the provisions of regulation 33, be deemed to have been a valid payment, and a receipt issued by the person to whom the money was paid shall be a full discharge to the Government and to the registrar for the amount of such payment.

Indemnity

33. No provision of these Regulations for the protection of the Government and of the registrar in respect of any act done or any money paid shall operate to prevent the recovery by any person or his representative of any stock, bonds or money lawfully due to him from the person to whom such stock or bonds were transferred or such money was paid by or under the direction of the registrar, or from the representative of that person.

Saving of rights of third parties

The Laws of Zambia

Endnotes

1 (Popup - Popup)

*Functions delegated to Permanent Secretary, Ministry of Finance, by S.I. No. 363 of 1969.