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PART A - BILLS

10. The Treasury Bills and Government Stocks Bill, 1994 S1

THE TREASURY BILLS AND GOVERNMENT STOCKS BILL, 1994

(Bill No. 10 of 1994)

(To be presented by the Minister for Finance)

MEMORANDUM OF OBJECTS AND REASONS

The object of this Bill is to provide for -

- (a) the issuing of Treasury Bills to finance day to day borrowing by Government;
- (b) the issue of Treasury Bills and Government stocks as instruments of Government Monetary policy; and
- (c) the repeal of The Treasury Bill and Short Dated Government Stock Order (As Amended) 1973.

S.H. ZWANE
Attorney-General

A BILL
entitled

An Act to provide for the issue of Treasury Bills and Government Stock.

Enacted by the King and Parliament of Swaziland.

Short title and commencement.

1. This Act may be cited as the Treasury Bills and Government Stocks Act, 1994 and shall come into force on publication in the Gazette.

Interpretation.

2. In this Act -

"Agent" means a person appointed by the Minister in consultation with the Governor of the Central Bank of Swaziland;

"Approved foreign securities" means stocks and, or bonds issued by any Government or any international organization, approved by the Minister and maturing within a maximum period of fifteen years;

"capital fund" means the capital fund created in the First Schedule to the Finance and Audit Act, No. 1 of 1967;

"Minister" means the Minister for Finance;

"Stocks" means Government stocks issued by the Government and duly registered in such amounts as may be decided by the Minister, maturing within a maximum period of fifteen years and bearing such interest rate as the Minister may decide; and,

"Treasury Bill" means a promissory note issued by the Government, payable to order, in such amounts as may be determined by the Minister and redeemable within a period of not more than five years.

Powers to borrow.

3. Subject to section 4, the Minister is authorised to borrow from time to time such sums of money of money as he may think fit against the issue of treasury bills and stocks in Swaziland.

Limitation of borrowing powers.

4. (1) The maximum amount of funds which may be borrowed under this Act shall not exceed E300,000,000.

(2) The amount borrowed at any one time shall be notified by notice in the Gazette.

Provisions for the issue of Treasury Bills.

5. (1) All treasury bills issued in terms of this Act shall be not-interest bearing but shall be sold by the Government or any person so authorised by Government at such discount and subject to such terms and conditions as the Minister may determine.

(2) All treasury bills issued under this Act shall be negotiable and transferable by endorsement and shall be duly numbered by any person so authorised by the Government.

(3) A record of the numbers of all treasury bills issued under this Act shall be kept by the Government or any person authorised by the Government.

(4) All treasury bills issued under this Act shall bear a fixed date of payment on which date they shall become payable on presentation and the Bills of Exchange Act No. 11 of 1902 shall apply mutatis mutandis to such presentation and to the Government liability.

Provisions applicable to the issue of stocks.

6. (1) Stocks shall be issued upon such terms and conditions as the Minister may determine.

(2) Stocks issued under this Act shall be recorded in a register to be kept by the Government or any agent appointed by it under section 7, and it shall be negotiable and transferable by a written instrument of transfer, and a certificate issued by such agent in respect of any stocks shall be prima facie evidence of the title of the holder named in it.

(3) Any prospectus connected with or related to the issue of stocks under this Act shall be deemed to have been authorised by the Minister.

Appointment of agent.

7. The Minister may appoint a Government Department or any financial institution duly licensed by any law and subject to such terms and conditions as may be agreed upon between it and him as agent for the issue, management and repayment of any treasury bills or stocks issued under this Act or for any other matter connected with.

Expenses of issuing treasury bills and stocks.

8. The expenses necessarily incurred in connection with the issue of any treasury bills and stocks, including any discount or commission, and all other expenses incidental to such issue shall be charged and be paid out of the Consolidated Fund.

Capital and interest charged upon the Consolidated Fund.

9. The sums of money borrowed under the provisions of this Act and all interest payable shall be charged and be paid out of the Consolidated Fund.

Conditions of issue.

10. The Minister shall, at the time of issue of any treasury bills or stocks under this Act stipulate in writing conditions relating to -

- (a) the price of issue;
- (b) the designation and the denominations in which such bills or stocks will be issued and transferred;
- (c) the rate of interest applicable on stocks;
- (d) the time and place of repayment of principal and with regard to stocks the time and place of payment of interest;
- (e) any other matters not inconsistent with this Act as he may deem expedient.

Investment of Funds.

11. The Minister may use the sums borrowed under this Act or any part for any expenditure authorised by an Appropriation Act for the financial year during which the withdrawal of such sum is to take place:

Provided that the Minister may hold any unexpended balance on call with the Central Bank of Swaziland or any other financial institution on such terms and conditions as he may determine.

Cancellation of treasury bills or stocks redeemed.

12. Any treasury bills or stocks issued under this Act, redeemed by Government shall be cancelled and not re-issued.

Monies borrowed to be paid into the Capital Fund.

13. Any sum of money borrowed under this Act shall be paid into the Capital Fund.

Exemption from Stamp Duty and Transfer Duty.

14. Notwithstanding the provisions of any other legislation all bills and stocks issued under this Act are exempt from all duties payable under the Stamp Duties Act No. 37 of 1970 and all stock transfers effected under the provisions of section 6 hereof are exempt from all duties payable.

Savings.

15. Treasury Bills and Stocks issued under the Treasury Bills and Short-Dated Government Stocks Order No. 23 of 1973 and not yet discharged at the coming into force of this Act, shall remain in force together with conditions attached to them at issue until are fully discharged.

Repeal.

16. The Treasury Bills and Short-Dated Government Stocks Order, No. 23 of 1973 is repealed.