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PUBLISHED BY AUTHORITY

THE LOAN (SEB II TRANSMISSION PROJECT) ACT, 2001
(Act No. 1 of 2001)



I ASSENT

MSWATI III
King of Swaziland

22nd January 2001

AN ACT
Entitled

An Act to authorise the Minister for Finance to raise a loan to on-lend to the Swaziland Electricity Board for the financing of the study, engineering, construction and operation of overhead transmission lines and of the reinforcement of part of the national transmission grid.

ENACTED by the King and the Parliament of Swaziland.

Short title and commencement

1. This Act may be cited as the Loan (SEB II Transmission Project) Act, 2001 and shall come into operation on such date as the Minister may by notice in the Gazette, appoint.

Interpretation

2. In this Act unless the context otherwise requires:

“Agreement” means the Agreement referred to in section 3 and includes any document related thereto;

“Borrower” means the Government of the Kingdom of Swaziland;

“Lender” means the European Investment Bank.

“Loan” means the loan raised by the Minister under section 3;

“Minister” means the Minister responsible for Finance.

Authority to raise loan

3. The Minister is hereby authorised to enter into an agreement with the Lender for the purpose of raising a loan not exceeding five million euros (5,000,000) upon terms and conditions specified in this Act and upon other terms and conditions as the Government may consider appropriate.

Loan charges and repayment

4. (1) The borrower shall pay repay the loan on a constant annuity basis over 15 years commencing on 15th November 2004.

(2) The borrower shall pay interest of 3% (per cent) per annum on the principal amount of the loan disbursed and outstanding from time to time to the Lender.

(3) Notwithstanding the provisions of subsection (2), where there is a change on the corporate structure of SEB whereby equity is created, the Borrower may convert the proceeds of the loan, in whole or in part, into equity in the name of the Lender.

(4) As from the date of receipt by the Lender of a notice of conversion referred to in subsection (3), interest shall cease to accrue on the converted part of the loan.

Charging of loan

5. The loan shall be charged upon the Consolidated Fund and the assets of the Borrower.

Application of loan

6. The Proceeds of the loan shall be used for the financing of the study, engineering, construction and operation of overhead transmission lines and of the reinforcement of part of the national transmission grid.