

INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 139.

Agriculture Bank.

GENERAL ANNOTATION.

ADMINISTRATION.

The administration of this Chapter was vested in the Minister for Finance and Planning, except for Sections 13 and 16(2) of the Act, the administration of which was vested in the Minister for Public Service, at the date of its preparation for inclusion.

The present administration may be ascertained by reference to the most recent Determination of Titles and Responsibilities of Ministers made under Section 148(1) of the Constitution.

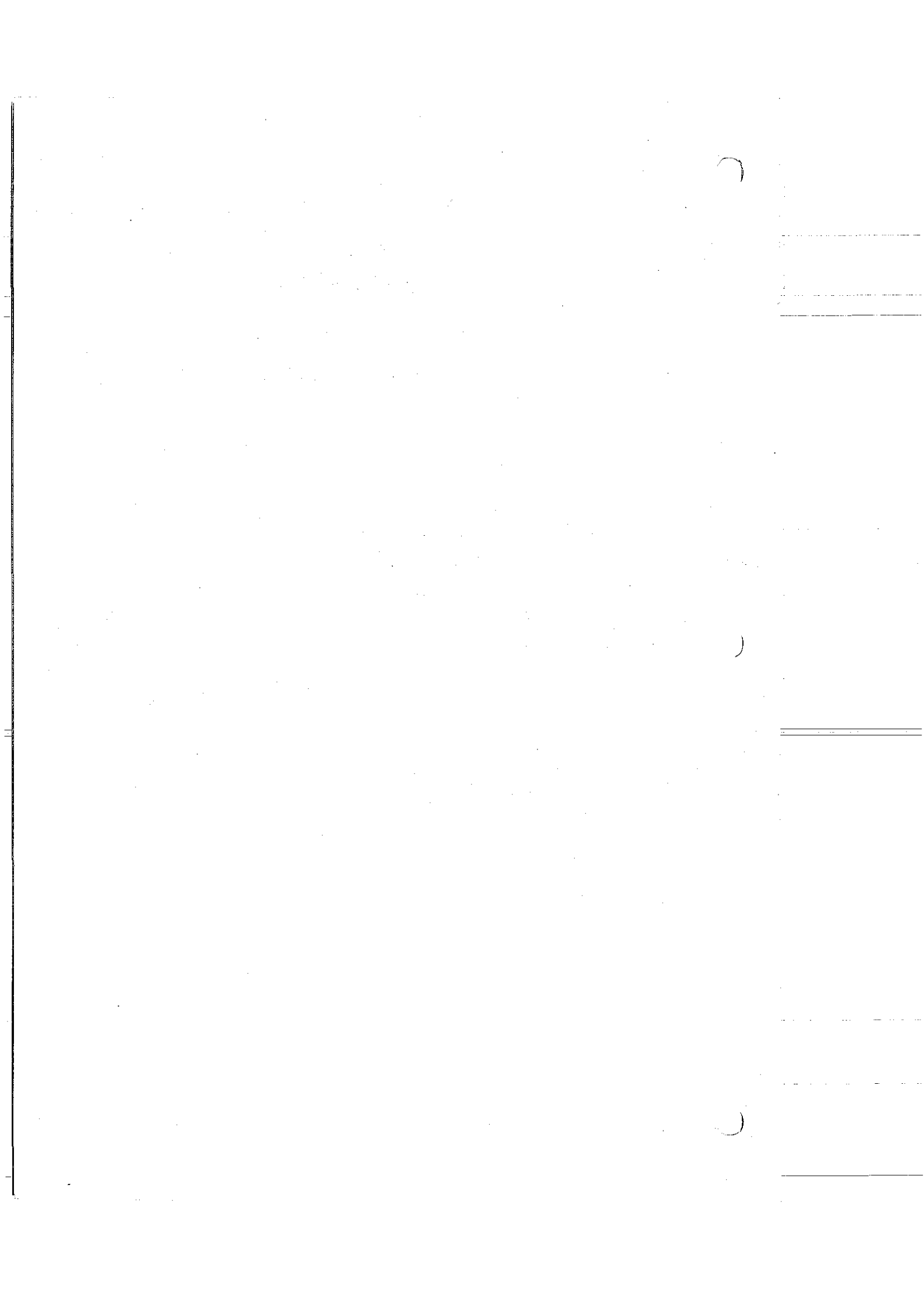
References in and in relation to this Chapter to—

“the Departmental Head”—should be read as references to the Secretary for Finance and Planning;

“the Department”—should be read as references to the Department of Finance and Planning.

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INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 139.

Agriculture Bank Act.

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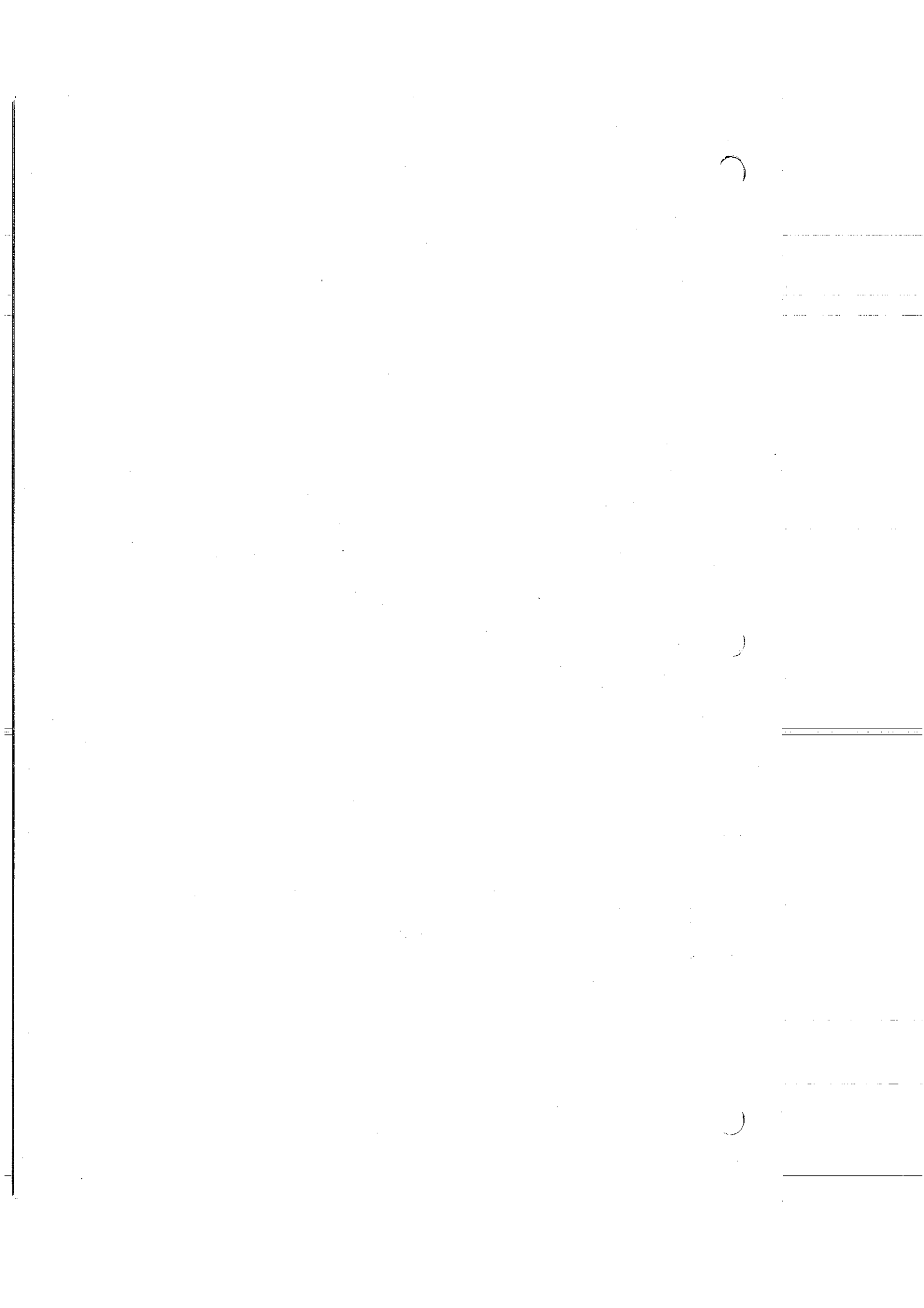
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INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 139.

Agriculture Bank Act.

(Name of Bank changed by No. 31 of 1984.)¹

Being an Act to establish the Agriculture Bank of Papua New Guinea and to define its powers and functions, and for related purposes.

PART I.—PRELIMINARY.

1. Interpretation.

In this Act, unless the contrary intention appears—

“the Agriculture Bank” means the Agriculture Bank of Papua New Guinea established by Section 3.

“the Board” means the Agriculture Bank Board established by Section 8;

“the Development Bank” means the Papua New Guinea Development Bank established by Section 3;

“the Ex-servicemen’s Credit Board” means the Ex-servicemen’s Credit Board established by the *Ex-Servicemen’s Credit Act 1958*;

“finance” includes financial assistance;

“the Native Loans Board” means the Native Loans Board established by the *Native Loans Fund Act 1955*;

“officer” means an officer of the Agriculture Bank;

“this Act” includes the regulations.

2. Effect.

This Act has effect subject to the *Central Banking Act* and the *Banks and Financial Institutions Act*, and to the regulations made under those Acts.

PART II.—AGRICULTURE BANK OF PAPUA NEW GUINEA.

3. Establishment of the Bank.

(1) A body by the name of the Papua New Guinea Development Bank is hereby established.

(2) From 1 February 1985, the date on which the *Development Bank (Change of Name) Act 1984* came into force, the name of the Papua New Guinea Development Bank was changed to the Agriculture Bank of Papua New Guinea. (*Added by No. 31 of 1984, s.5.*)

¹The *Development Bank (Change of Name) Act 1984* (No. 31 of 1984) changed the name of the Bank from “Development” to “Agriculture”. Nearly every section of this Chapter is affected by this amendment, necessitating an amendment note at the end of each section. In each section where the Agriculture Bank is referred to this change to the *Development Bank Act* was brought about by No. 31 of 1984.

4. Incorporation of the Bank.

(1) The Agriculture Bank—

- (a) is a corporation with perpetual succession; and
- (b) shall have a seal; and
- (c) may acquire, hold and dispose of property; and
- (d) may sue and be sued in its corporate name.

(2) All courts, Judges and persons acting judicially shall take judicial notice of the seal of the Agriculture Bank affixed to a document, and shall presume that it was duly affixed.

5. Functions of the Bank.

(1) The functions of the Agriculture Bank are—

- (a) to provide finance for persons—
 - (i) for purposes of primary production; or
 - (ii) for the establishment, development or acquisition (in whole or in part) of industrial or commercial undertakings; and
- (b) as appropriate, to make property available (in the case of land, by subdivision or otherwise) for a purpose referred to in Paragraph (a) on such terms and conditions as to payment and otherwise as are agreed on between the Bank and the person concerned, and for that purpose to acquire and deal with any such property; and
- (c) to provide advice and assistance with a view to promoting the efficient organization and conduct of primary production or of industrial or commercial undertakings; and
- (d) to do all things necessary or convenient to be done to carry out its functions under any other law.

(2) The Agriculture Bank may act as agent for the Government in relation to any matter within the functions of the Bank and the State shall fully and effectually indemnify it and hold it safe against all claims or actions made or taken against it as a result of its acting as such an agent.

6. Powers of the Bank.

(1) For the purposes of carrying out its functions under this Act, the Agriculture Bank may carry on banking business.

(2) Without limiting the generality of Subsection (1), in addition to any other powers conferred on it by this Act the Agriculture Bank has power—

- (a) to receive money on deposit; and
- (b) to borrow and lend money; and
- (c) to buy, sell, discount and rediscount bills of exchange, promissory notes and Treasury Bills; and
- (d) to buy and sell Government securities and other securities; and
- (e) to establish credits and give guarantees; and
- (f) to issue bills and drafts and effect transfers of money; and
- (g) to underwrite loans and issues of capital; and

- (b) to buy or otherwise acquire, hold, maintain, repair, improve, develop and manage property, and to sell, lease or otherwise deal with any such property (in the case of land, after subdivision or otherwise), and for any such purpose to have, exercise or perform any of the powers, functions, duties and responsibilities of an owner of the property in question; and
- (i) to invest moneys held by the Bank in stock, shares, debentures or other capital interests of companies registered in the country; and
- (j) to form subsidiaries or promote companies or corporations in any manner permitted by law; and
- (k) to acquire an interest in a partnership, firm or other enterprise engaged in primary production or in industrial or commercial undertakings in the country; and
- (l) to issue debentures or other securities; and
- (m) to do anything incidental to any of its powers.

(3) The powers conferred by Subsection (2)(b) are subject to and shall be exercised and performed in accordance with all other laws, and in particular the powers conferred by that paragraph do not—

- (a) authorize the Agriculture Bank to acquire customary land otherwise than in accordance with the law; or
- (b) affect the powers, functions, duties and responsibilities of the Bank under Part VI.

7. Loans by Bank to intermediaries.

(1) In this section, "intermediary" includes a body, organization, society or group or class of persons (corporate or unincorporate) appointed by the Agriculture Bank, in writing, as an intermediary for the purposes of this Act.

(2) In addition to, and not in derogation of, the powers conferred by Section 6, the Agriculture Bank may lend money to an intermediary to make loans for purposes and on terms approved by the Bank.

(3) A loan by the Agriculture Bank under this section may be made—

- (a) without security; or
- (b) subject to the provision of such security as the Bank thinks necessary.

(4) This section does not confer on an intermediary a power or function in relation to the borrowing or lending of money that it would not have had in the absence of this section.

8. The Board.

- (1) The Agriculture Bank Board is hereby established.
- (2) The Board shall be constituted as provided by Part III.

9. Policies of the Bank.

(1) Subject to this Act, the Board—

- (a) is responsible for determining the policy of the Agriculture Bank in relation to any matter; and
- (b) has power to take such action as is necessary to ensure that effect is given by the Bank to the policy so determined.

(2) It is the duty of the Board, within the limits of its powers, to ensure that the policy of the Agriculture Bank—

- (a) is directed to the greatest advantage of the people of Papua New Guinea; and
- (b) has due regard to—
 - (i) the stability and balanced development of the national economy; and
 - (ii) the advancement of the indigenous population.

10. Principles applying in the provision of finance.

(1) In determining whether or not finance or other assistance shall be provided for a person, the Agriculture Bank—

- (a) shall have regard primarily to the prospects of his operations becoming, or continuing to be, successful; and
- (b) shall not necessarily have regard to the value of the security available in respect of the finance or other assistance.

(2) Subject to this Act, the Agriculture Bank shall not provide finance or other assistance for a person to enable him to acquire goods for use otherwise than in the course of his business.

(3) The Board shall—

- (a) from time to time inform the Minister of the policies of the Agriculture Bank; and
- (b) furnish to the Minister such information in relation to the matters referred to in Section 6(2) as the Minister requires.

(4) In the event of a difference of opinion whether the policy of the Agriculture Bank—

- (a) is directed to the greatest advantage of the people of Papua New Guinea; and
- (b) has due regard to—
 - (i) the stability and balanced development of the national economy; and
 - (ii) the advancement of the indigenous population,

the Minister and the Board shall endeavour to reach agreement.

(5) If the Minister and the Board are unable to reach agreement, the Board shall immediately furnish to the Minister a statement in relation to the matter in respect of which the difference of opinion has arisen.

(6) The Head of State, acting on advice, may then, by order, determine the policy to be adopted by the Agriculture Bank.

(7) The Minister shall inform the Board of the policy determined under Subsection (6), and shall take such action (if any) within his power as he thinks necessary by reason of the adoption of that policy.

(8) The Board shall ensure that effect is given to the policy while the order remains in force.

PART III.—THE AGRICULTURE BANK BOARD.

11. Constitution of the Board.

(1) Subject to Section 12, the Agriculture Bank Board shall consist of—

- (a) the Managing Director; and

- (b) the Deputy Managing Director; and
- (c) the Departmental Head; and
- (d) nine other members, of whom not less than four are residents of the country, appointed by the Minister.

(2) A member appointed under Subsection (1)(d) who is an officer or employee of the Public Service holds office during the pleasure of the Minister.

(3) A person appointed under Subsection (1)(d) who is not an officer or employee of the Public Service—

- (a) shall be appointed for a period not exceeding three years; and
- (b) holds office subject to good behaviour; and
- (c) is eligible for re-appointment.

(4) In the event of a member of the Board appointed under Subsection (1)(d) ceasing to hold office before the end of the period of his appointment and the appointment in his place of a person other than an officer or employee of the Public Service, the period of that appointment is the remainder of the period of office of the member ceasing to hold office.

(5) Of the members of the Board appointed under Subsection (1)(d), at least six shall be persons who are not officers or employees of the Public Service.

(6) An officer or employee of the Agriculture Bank shall not be a member of the Board appointed under Subsection (1)(d).

12. Alternate of Departmental Head.

The Departmental Head may, by instrument, appoint a person to be an alternate member of the Board, to attend any meeting at which he is unable to be present, and in relation to any meeting that he attends as alternate the person appointed has all the powers, functions, duties and responsibilities of a member.

13. Remuneration of members.

A member of the Board shall be paid by the Agriculture Bank such remuneration as the Minister responsible for Public Service matters determines.

14. Oath and affirmation of office and declaration of secrecy.

Before entering on the duties of his office, a member of the Board shall take an oath or make an affirmation in the form in the Schedule, and shall make the prescribed declaration of secrecy.

15. Vacation of office of members of Board.

If a member of the Board appointed under Section 11(1)(d)—

- (a) becomes permanently incapable of performing his duties; or
- (b) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration for their benefit; or
- (c) resigns his office by writing under his hand addressed to the Minister; or
- (d) is absent, except on leave granted by the Minister, from two consecutive meetings of the Board; or
- (e) fails to comply with his obligations under Section 20,

the Minister shall terminate his appointment.

16. Managing Director and Deputy Managing Director.

(1) There shall be a Managing Director and a Deputy Managing Director of the Agriculture Bank who—

- (a) shall be appointed by the Head of State, acting on advice; and
- (b) shall be appointed for such period, not exceeding seven years, as the Minister determines; and
- (c) holds office subject to good behaviour; and
- (d) are eligible for re-appointment.

(2) The Managing Director and the Deputy Managing Director shall be paid by the Agriculture Bank such salary and allowances as the Minister responsible for Public Service matters determines.

(3) The Managing Director shall manage the Agriculture Bank, and in relation to the management of the Bank shall act in accordance with its policy and with the directions of the Board.

(4) The Deputy Managing Director shall perform such duties as the Managing Director directs, and in the event of a vacancy in the office of Managing Director the Deputy Managing Director shall perform the duties of the Managing Director and has and may exercise the powers and functions of the Managing Director.

17. Vacation of office of Managing Director, etc.

If the Managing Director or the Deputy Managing Director—

- (a) becomes permanently incapable of performing his duties; or
- (b) engages in any paid employment outside the duties of his office; or
- (c) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his salary for their benefit; or
- (d) resigns his office by writing under his hand to the Minister,

the Minister shall terminate his appointment.

18. Chairman and Deputy Chairman of the Board.

(1) The Minister shall appoint one of the members of the Board to be Chairman of the Board, and another such member to be Deputy Chairman of the Board, for such respective periods as the Minister determines.

(2) The Chairman and the Deputy Chairman hold office as Chairman and Deputy Chairman respectively until the expiration of their respective periods of appointment or until they respectively cease to be members of the Board, whichever first happens.

(3) The Chairman or the Deputy Chairman may, by writing under his hand addressed to the Minister, resign his office as Chairman or Deputy Chairman.

19. Meetings of the Board.

(1) The Board shall meet at such times and places as the Board determines or as the Chairman or the Deputy Chairman directs.

(2) At a meeting of the Board—

- (a) six members, of whom the Chairman or the Deputy Chairman is one, is a quorum; and

- (b) if the Chairman is present he shall preside and, in the absence of the Chairman, the Deputy Chairman shall preside; and
- (c) all matters shall be decided by a majority of the votes of the members present and voting; and
- (d) the member presiding has a deliberative and, in the event of an equality of votes on a matter, also a casting vote.

20. Disclosure of interest.

(1) A member of the Board who is directly or indirectly interested in a contract made, or proposed to be made, by the Agriculture Bank, otherwise than as a member, and in common with other members, of an incorporated company consisting of not less than 25 persons, shall disclose the nature of his interest at the first meeting of the Board at which he is present after the relevant facts have come to his knowledge.

(2) A disclosure under Subsection (1) shall be recorded in the minutes of the Board, and after the disclosure the member—

- (a) shall not take part in any deliberation or decision of the Board with respect to the contract; and
- (b) shall be disregarded for the purpose of constituting a quorum of the Board for any such deliberation or decision.

PART IV.—THE SERVICE OF THE BANK.

21. Appointment of officers.

(1) The Agriculture Bank may appoint such officers as are necessary for the purposes of this Act.

(2) The officers of the Agriculture Bank constitute the Service of the Agriculture Bank.

(3) Where, immediately before his appointment, an officer of the Agriculture Bank was an officer of the Public Service, his service as an officer of the Agriculture Bank shall be counted as service in the Public Service for the purposes of determining his rights (if any) under the *Public Service Act*.

(4) Section 104 of the *Public Service Act* applies in relation to officers in the service of the Agriculture Bank as if they had been specifically included in that section.

(5) Subject to this Act, officers hold office on such terms and conditions as are determined by the Agriculture Bank.

22. Regulations for Service of the Bank.

The regulations may make provision in relation to the Service of the Agriculture Bank, and in particular may—

- (a) prescribe the terms and conditions of employment of officers; and
- (b) make provision for the establishment of a superannuation scheme to provide benefits for the Managing Director, Deputy Managing Director and officers of the Bank, on retirement.

23. Temporary and casual employees.

(1) The Agriculture Bank may appoint such temporary and casual employees as are necessary for the purposes of this Act.

(2) Employees appointed under Subsection (1) shall be employed on such terms and conditions as the Agriculture Bank determines.

24. Loans to officers, etc.

(1) Subject to this section, the Agriculture Bank shall not lend money to an officer or employee.

(2) The Agriculture Bank may lend money to an officer or employee—

(a) for the purchase, erection, alteration, renovation or enlargement of a home in which he resides or intends to reside; or

(b) to discharge a mortgage, charge or encumbrance on such a home.

(3) In addition to and not in derogation of the powers conferred by Subsection (2), but subject to Subsection (4), where the Managing Director is satisfied that special circumstances exist the Agriculture Bank may make a loan or loans to an officer or employee of the Bank, on such terms and conditions as the Managing Director thinks proper.

(4) The total amount of any loan or loans under Subsection (3) outstanding to an officer or employee of the Agriculture Bank shall not exceed K1 000.00.

PART V.—FINANCE.

25. Capital.

The capital of the Agriculture Bank consists of—

(a) such sums as are advanced to the Bank out of moneys appropriated by Act for the purpose; and

(b) such moneys, other than interest repayments, as become available to the Bank by virtue of Parts VI. and VII.; and

(c) such sums as are transferred from the Agriculture Bank of Papua New Guinea Reserve Fund under Section 26.

26. Reserve fund.

(1) The Agriculture Bank shall have a reserve fund, to be called the Agriculture Bank of Papua New Guinea Reserve Fund, consisting of such sums as are placed to the credit of the Fund under Section 30.

(2) There may be transferred from time to time from the Agriculture Bank of Papua New Guinea Reserve Fund to the capital of the Agriculture Bank such sums as the Board determines.

27. Advances by the Government.

The Agriculture Bank may accept an offer by the Minister to advance moneys for the purpose of the Bank on such terms as are agreed on between the Bank and the Minister.

28. Accounting for certain interest repayments.

Interest repayments that become available to the Agriculture Bank by virtue of Part VI. or VII. shall be included in the profits of the Bank.

29. Determination of net profits.

In determining, for the purposes of this Act the net profits of the Agriculture Bank, any amounts written off bank premises or provided for contingencies are subject to the approval of the Minister.

30. Dealing with profits.

The net profits of the Agriculture Bank in each year shall be first applied against any previous losses carried forward and the balance shall be placed to the credit of the Agriculture Bank of Papua New Guinea Reserve Fund.

31. Audit.

(1) In this section, "prescribed person" means the Managing Director, the Deputy Managing Director or other member of the Board, or an officer or employee of the Agriculture Bank.

(2) For the purposes of this section, "subsidiary company of the Agriculture Bank", in relation to the Agriculture Bank, shall have the meaning given to a subsidiary company in relation to a public body under Section 1A of the *Public Bodies (Financial Administration) Act*.

(3) Subject to this section, the Auditor-General shall inspect and audit the accounts and records of financial transactions of the Agriculture Bank and any subsidiary company of the Agriculture Bank and records relating to its assets or assets in its custody, and shall promptly draw the attention of the Minister to any irregularity disclosed by the inspection and audit that is, in the opinion of the Auditor-General, of sufficient importance to justify his so doing.

(4) The Auditor-General may, in his discretion, dispense with the whole or any part of the detailed inspection and audit of any accounts referred to in Subsection (3).

(5) The Auditor-General shall, at least once in each year, report to the Minister the result of the inspection and audit of any accounts referred to in Subsection (3).

(6) The Auditor-General may, at his discretion, for the purpose of assisting him in an audit and inspection under Subsection (3), employ a registered company auditor who shall act under the direction of the Auditor-General and on the terms and conditions determined by the Auditor-General.

(7) The Auditor-General, or a person carrying out or assisting in carrying out an inspection or audit under this section—

(a) is entitled at all reasonable times to full and free access to all accounts, records, documents and papers of the Agriculture Bank and of any subsidiary company of the Agriculture Bank relating directly or indirectly to the receipt or payment of moneys by it, or to the acquisition, receipt, custody or disposal of assets by it; and

(b) may make copies of, or take extracts from, any such accounts, records, documents or papers; and

(c) may require any prescribed person to furnish him with such information in his possession or to which he has access as the Auditor-General or the person carrying out or assisting in carrying out the inspection or audit, thinks necessary for the purposes of the functions of the Auditor-General under the Constitution and this Act.

(8) A person who contravenes Subsection (7)(c) is guilty of an offence.

Penalty: A fine not exceeding K200.00.

(Replaced by No. 30 of 1982, s. 7, amended by No. 8 of 1983, s. 5.)

32. Annual reports and financial statements.

(1) The Board shall, as soon as practicable after 31 December in each year, prepare—

- (a) a report on the operations of the Agriculture Bank during the year ending on that date; and
- (b) financial statements, in the prescribed forms, in respect of that year,

and furnish the report and statements, together with a report of the Auditor-General on the statements, to the Minister. (*Amended by No. 47 of 1977, Schedule 1.*)

(2) In his report on the financial statements prepared under Subsection (1), the Auditor-General—

- (a) shall report whether the statements are in agreement with the accounts and records of the Agriculture Bank and show fairly the financial operations and the state of affairs of the Bank; and
- (b) shall report on such matters arising out of the statements as the Auditor-General thinks should be made known to the Parliament.

(3) The Minister shall cause a copy of the report and financial statement prepared under Subsection (1), and of the report of the Auditor-General on each statement, to be laid before the Parliament as soon as practicable after their receipt by the Minister.

PART VI.—EX-SERVICEMEN'S CREDIT LOANS.*Division 1.—Preliminary.***33. Interpretation of Part VI.**

In this Part, unless the contrary intention appears—

“agricultural enterprise” includes a farming, horticultural, pastoral or grazing enterprise and any other prescribed form of primary production;

“borrower” means a person who has been granted a loan to which this Part applies and who has not discharged it, and includes a member of the family of a deceased borrower where—

- (a) that member of the family takes under the will or intestacy of the borrower—
 - (i) the borrower's interest in the agricultural enterprise carried on by the borrower; and
 - (ii) the borrower's beneficial interest in the property the subject of the security for the loan; and
- (b) the Agriculture Bank approves of the member of the family carrying on the agricultural enterprise and continuing the loan;

“home maintenance area” means an area developed to a stage of production (based on suitable land use) that, on average yields and prices, would, in the opinion of the Agriculture Bank, in the particular case be sufficient to provide a reasonable living for the borrower after meeting such financial commitments as would be incurred by a person possessing no capital;

“loan to which this Part applies” means a loan referred to in Section 34, and includes a further loan made under Division 3;

"member of the family", in relation to a person, means his or her wife or husband, son, daughter, grandson, granddaughter, adopted step-son, step-daughter, adopted son or adopted daughter;

"security under this Part" means any security held by the Agriculture Bank to secure a loan to which this Part applies;

"working capital" includes a living allowance at such rate as is fixed by the Agriculture Bank, generally or in a particular case.

34. Application of Part VI.

This Part applies in relation to loans by the Ex-servicemen's Credit Board for which the Agriculture Bank became the lender by virtue of Section 11A of the *Ex-servicemen's Credit Act 1958*.

Division 2.—Conditions of Loans.

35. Conditions of loans.

(1) Unless the Agriculture Bank in any particular case approves otherwise, a borrower who has received a loan to which this Part applies and who has not discharged it shall reside on, and devote his full time to, the management of the property the subject of the loan.

(2) No property over which the Agriculture Bank has a security under this Part may be assigned, transferred, sold, leased, sub-leased, mortgaged or otherwise dealt with without the prior written approval of the Bank, and any assignment, transfer, sale, lease, sub-lease or dealing entered into contrary to this subsection is void and of no effect.

36. Interest.

(1) Interest is payable on a loan to which this Part applies at the prescribed rate.

(2) Interest is payable on any arrears of principal or interest under a loan to which this Part applies at the prescribed penalty rate.

(3) The Agriculture Bank may, in its discretion, postpone payment of interest until the agricultural enterprise the subject of the loan has reached what is, in the opinion of the Bank, a reasonable degree of productivity, at which time the Bank may order that any amount of interest then due and unpaid be added to the capital sum.

37. Repayments.

(1) The amount of principal and interest due under a loan to which this Part applies is repayable in such instalments and at such times as the Agriculture Bank determines.

(2) The date on which the first instalment is payable is as determined by the Agriculture Bank.

(3) The maximum period for repayment of a loan to which this Part applies, together with interest, is 25 years from the date of the grant of the loan.

(4) If, on a day on which repayment of an instalment of principal and interest is due, a borrower pays to the Agriculture Bank an amount less than the total amount due, the Bank may, in its discretion and in such manner as it thinks proper, allocate the amount between the principal and interest, or to the principal or interest, due.

(5) Where an instalment of principal or interest is not paid within 30 days of the date on which repayment is due, the Agriculture Bank may take any action that it thinks desirable to recover the instalment, and may—

- (a) recover the cost of doing so as a debt; or
- (b) add the cost to the principal sum due under the loan.

(6) Notwithstanding the provisions of this Part or of the loan, or of any security under this Part, where—

- (a) the borrower contravenes or fails to comply with—
 - (i) this Part; or
 - (ii) the terms and conditions of a loan to which this Part applies or of any security under this Part; or
 - (iii) a requirement authorized by this Part; or
- (b) an instalment of principal or interest is in arrears; or
- (c) a borrower becomes bankrupt or insolvent; or
- (d) in the opinion of the Agriculture Bank a loan to which this Part applies has been obtained by means of, or partly by means of, a statement that is false or misleading; or
- (e) in the opinion of the Agriculture Bank a loan to which this Part applies—
 - (i) has not been or is not being applied for the purpose for which it was granted; or
 - (ii) has not been or is not being carefully or economically expended,

the Bank may order that the whole amount of the debt be repayable immediately.

(7) The Agriculture Bank may accept, on such terms and conditions as are prescribed, payment of the whole or part of the principal and interest of a loan to which this Part applies, before the time when payment is due.

38. Securities for loans.

(1) A security under this Part may be in such form and subject to such terms and conditions as the Agriculture Bank, in its discretion, thinks proper, in addition to or in amplification of the provisions of this Part or of the conditions of the loan.

(2) In addition to any security under this Part, the Agriculture Bank may take such additional security as it thinks proper.

39. Insurance.

(1) A borrower shall insure and keep insured, for its full insurable value, and with an insurer approved by the Agriculture Bank, all property the subject of a security under this Part, or that has been obtained under or by virtue of a loan to which this Part applies, against loss or damage by fire or any other risk that the Bank requires to be insured against.

(2) If a borrower fails to comply with Subsection (1), the Agriculture Bank may insure the property in accordance with that subsection, and may—

- (a) recover the cost of doing so from the borrower as a debt; or
- (b) add the cost to the principal sum due under the loan.

40. Maintenance of property.

(1) A borrower shall maintain in good order and condition all property the subject of a security under this Part or that has been obtained under or by virtue of a loan to which this Part applies, and shall carry out any requirement in that regard of the Agriculture Bank or of a person authorized for the purpose by the Bank.

(2) If any property referred to in Subsection (1) suffers loss or damage, the borrower shall promptly make it good, to the satisfaction of the Agriculture Bank, and shall carry out any requirement in that regard of the Bank or of a person authorized for the purpose by the Bank.

(3) If a borrower fails to comply with this section, the Agriculture Bank may take or cause to be taken such action as, in its discretion, it thinks desirable to maintain the property in, or to restore the property to, good order and condition or to make good the loss or damage, and may—

- (a) recover the cost of doing so from the borrower as a debt; or
- (b) add the cost to the principal sum due under the loan.

41. Examination as to application of loan.

(1) The Agriculture Bank may make or cause to be made such examination as it thinks desirable to ensure that a loan to which this Part applies is being applied to the purposes for which it was made.

(2) The Agriculture Bank may authorize, in writing, a person to make an examination under Subsection (1), and the borrower shall produce to any person so authorized all the relevant books and documents and other matters and things necessary for the purposes of the examination, and shall furnish all relevant information required by the authorized person.

(3) A person authorized by the Agriculture Bank under this section may—

- (a) at all reasonable times, enter on any land or premises in respect of which a loan to which this Part applies has been made; and
- (b) examine the land or premises and any matter or thing on the land or premises.

42. Special concessions.

(1) In this section, "the assistance period", in relation to a loan, means, subject to Subsection (2), in the period of 12 months during the currency of the loan determined—

- (a) by the Agriculture Bank as the assistance period for the purposes of this section; or
- (b) by the Ex-servicemen's Credit Board under Section 24 of the *Ex-Servicemen's Credit Act 1958*, as the assistance period for the purposes of that section.

(2) The assistance period shall commence at the stage in the development of a home maintenance area at which the provisions of Subsections (3) and (4) will, in the opinion of the Agriculture Bank, be of the greatest benefit to the enterprise in respect of which the loan was granted.

(3) During the assistance period—

- (a) a borrower is not required to make any payment on account of principal advanced or interest accrued due before the commencement of that period; and

(b) no interest accrues due in respect of principal so advanced, other than interest on moneys advanced as working capital during that period.

(4) There is payable to a borrower during the assistance period a non-repayable living allowance at such rate and subject to such conditions as are determined by the Head of State, acting on advice, generally or in relation to a particular case.

43. Write-off.

The Agriculture Bank may write off any amount owing under this Part that the Bank thinks to be irrecoverable.

44. Ranking of debts.

For the purposes of the *Insolvency Act*, all debts due to the Agriculture Bank under this Part rank with preferential debts prescribed in Section 119 of that Act.

Division 3.—Further Loans by the Agriculture Bank.

45. Additional loans.

(1) Subject to this Part, the Agriculture Bank may, on application, grant a further loan to a borrower in respect of the agricultural enterprise the subject of a loan to which this Part applies.

(2) Lack of capital does not of itself preclude a person from obtaining a loan under Subsection (1), but the Agriculture Bank may make it a condition of such a loan to a person possessing capital that he invests in the agricultural enterprise such amount of his capital as the Bank thinks reasonable in the particular case.

(3) A person who has developed an agricultural enterprise to home maintenance area standard is not eligible for a loan under Subsection (1) unless in the opinion of the Agriculture Bank a loan is required to enable that standard to be maintained.

(4) A loan shall not be granted under Subsection (1) unless the Agriculture Bank is satisfied that it will enable the agricultural enterprise to be developed or maintained to home maintenance area standard, and such a loan shall not be greater than is necessary for that purpose.

(5) The Agriculture Bank shall not make a loan under Subsection (1) except on the security of a transfer or first mortgage over land used or to be used in connexion with the agricultural enterprise in relation to which the loan is sought.

(6) In the case of a loan to which Section 46 applies, the security referred to in Subsection (5) shall be taken over the whole of the land used or to be used in connexion with the agricultural enterprise, regardless of its ownership.

(7) In addition to the conditions prescribed by this Part, a further loan may be made subject to such terms and conditions as the Agriculture Bank thinks proper.

46. Additional loans for certain joint enterprises.

(1) Where an enterprise the subject of an application for a further loan under Section 45 is, or is to be, owned or conducted jointly by two or more persons, not all of whom are borrowers, the Agriculture Bank may grant the application if, in addition to the other requirements of this Part, the Bank is satisfied that—

(a) the loan is to be used for the benefit of the borrower; and

(b) the proportion of the profits of the enterprise to be taken by the borrower bears to the total of the profits the same relation as the proportion of the

investment (whether in cash or otherwise) made by the borrower bears to the total investment (whether in cash or otherwise); and

- (c) in all the circumstances there are good reasons why the applicant should not be required to apply in respect of an enterprise owned or conducted, or to be owned or conducted, solely by a borrower or borrowers.

(2) Where a loan has been granted in accordance with Subsection (1), the Agriculture Bank may at any time order that the whole amount of the loan be repayable immediately if the circumstances specified in Subsection (1)(a), (b) or (c) no longer obtain.

Division 4.—Special Provisions in Relation to Producers' Processing Organizations.

47. Approval of producers' processing organizations.

The Agriculture Bank may, by notice in the National Gazette, approve as an approved producers' processing organization a company, co-operative society or other organization incorporated in the country—

- (a) that is, or is to be, wholly or mainly engaged in the processing, or processing and marketing, of primary produce; and
- (b) the articles of association or other constitution of which provide or provides that—
- (i) not less than 75% of the shares and of the voting power of the shareholders are always held by primary producers engaged wholly or mainly in the production of the primary produce in respect of which, or in relation to which, the business of the organization is, or is to be, carried on; and
- (ii) the provisions of the articles of association or other constitution referred to in Subparagraph (i) shall not be altered without the approval of the Agriculture Bank.

48. Loans to individuals.

(1) With the approval of the Agriculture Bank, and on such terms and conditions as the Bank thinks proper, such portion as the Bank thinks proper of a loan to which this Part applies may be used by the borrower for the purchasing of shares in a producers' processing organization approved under Section 47 that is carrying on, or proposes to carry on, the business of processing, or processing and marketing, the primary produce in respect of which the loan was granted.

(2) Where portion of a loan to which this Part applies is used under Subsection (1) for the purchasing of shares—

- (a) the share certificates or other documents of title shall be lodged with the Agriculture Bank by way of security; and
- (b) the shares shall not be transferred or charged without the consent of the Bank.
- (3) A transfer or charge entered into in contravention of Subsection (2)(b) is void.

Division 5.—General.

49. Obtaining loan by misrepresentation.

A person who knowingly makes an untrue statement for the purpose of obtaining a loan to which this Part applies (or would, if the application for the loan had been successful,

apply), for himself or for another person, by means of personation or a fraudulent device is guilty of an offence.

Penalty: A fine not exceeding K100.00 or imprisonment for a term not exceeding six months.

50. Obstruction.

A person who—

(a) directly or indirectly, hinders or obstructs a person in the exercise of his powers or the performance of his duties under this Part; or

(b) fails to comply with a requirement under this Part,

is guilty of an offence.

Penalty: A fine not exceeding K40.00.

PART VII.—NATIVE LOANS FUND LOANS.

51. Interpretation of Part VII.

In this Part—

“borrower” means a person who has received a loan to which this Part applies and who has not completely repaid the loan in accordance with the terms on which it was made;

“interest day” means 31 March, 30 June, 30 September or 31 December, as the case requires, in any year;

“interest period” means the period commencing on the day after an interest day and concluding on the next interest day;

“loan to which this Part applies” means a loan referred to in Section 52.

52. Application of Part VII.

This Part applies in relation to loans for which the Agriculture Bank became the lender by virtue of the *Papua and New Guinea Development Bank (Native Loans Fund) Act 1969*.

53. Repayment of loans.

(1) Subject to Section 56 and to Subsections (4) and (5), a loan to which this part applies shall be repaid to the Agriculture Bank in accordance with the terms and conditions under which it was made.

(2) The terms and conditions under which a loan to which this part applies was made shall be deemed to include provision for the payment to the Agriculture Bank of interest at the same periods, and at the same rate, as applied in respect of the loan immediately before the take-over day.

(3) Subject to Subsection (5), if interest on a loan, or an instalment of principal and interest, is not paid within three months after it becomes due the Agriculture Bank may call in the whole amount of principal and interest.

(4) The Agriculture Bank may postpone, for any period, the payment of a sum due for principal and interest, or for principal or interest, on such terms and conditions as are determined by the Bank.

(5) For the purposes of Subsection (3), where the payment of a sum due for principal and interest, or for principal or interest, has been postponed under Subsection (4), payment of that sum becomes due on the date to which payment has been postponed.

54. Special provisions relating to periodic advances.

Where a loan to which this Part applies is by way of periodic advances, interest shall be calculated on each interest day in respect of the balance of advances outstanding on the first day of the interest period that ends on that interest day.

55. Examination as to application of loan moneys.

(1) The Agriculture Bank may make or cause to be made such examination as it thinks desirable to ensure that a loan to which this Part applies is being applied to the purposes for which it was made.

(2) The Agriculture Bank may authorize, in writing, a person to make an examination under Subsection (1), and the borrower shall produce to any person so authorized all the relevant books and documents and other matters and things necessary for the purposes of the examination.

(3) A person authorized by the Agriculture Bank under this section may—

(a) at all reasonable times, enter on any land, vessel or premises—

(i) in respect of which a loan to which this Part applies has been made; or

(ii) where goods advanced under the *Native Loans Fund Act 1955* might reasonably be expected to be situated; and

(b) examine the land, vessel, premises or goods.

56. Misapplication of loans.

If in the opinion of the Agriculture Bank—

(a) a loan to which this Part applies has not been applied, or goods advanced under the *Native Loans Fund Act 1955* have not been used, for the purpose for which it was made or they were advanced; or

(b) any such loan or goods has or have not been carefully and economically expended or used; or

(c) the borrower has failed to comply with the provisions of, or has committed an offence against, this Part or the *Native Loans Fund Act 1955* in relation to the loan,

the Bank may refuse to pay any further instalments of the loan or to advance any further goods, and may at once call in the whole amount of the principal and interest owing by the borrower.

57. Nature of loans to which Part VII. applies.

Subject to this Part, a loan to which this Part applies shall be deemed to be a loan by the Agriculture Bank to the borrower in the ordinary course of the business of the Bank.

58. Priorities of debts.

For the purposes of the *Insolvency Act*, all debts due to the Agriculture Bank by virtue of loans to which this Part applies rank with preferential debts prescribed in Section 119 of that Act.

PART VIII.—SPECIAL PROVISIONS RELATING TO THE FORMER EX-SERVICEMEN'S CREDIT SCHEME AND NATIVE LOANS FUND.

59. Interpretation of Part VIII.

In this Part—

“authorized officer” means the Managing Director, the Deputy Managing Director or an officer of the Agriculture Bank appointed by the Managing Director or the Deputy Managing Director to be an authorized officer for the purposes of this Part;

“instrument to which this Part applies” includes a contract or agreement (whether express or implied), bond, authority, order, power of attorney, guarantee, mortgage, transfer, conveyance or other assurance, charge, bill of sale, lien, bill of exchange, bank draft, bank cheque, letter of credit and security—

- (a) to which the Ex-servicemen's Credit Board or the Native Loans Board is a party; or
- (b) that was given to or in favour of the Ex-servicemen's Credit Board or the Native Loans Board; or
- (c) in which a reference is made to the Ex-servicemen's Credit Board or the Native Loans Board; or
- (d) under which any money is or may become payable, or any other property is to be or may become liable to be transferred, conveyed or assigned to or by the Ex-servicemen's Credit Board or the Native Loans Board,

and that is subsisting on the prescribed date;

“the prescribed date”—

- (a) in relation to the Ex-servicemen's Credit Board—means 1 January 1969 (being the date of commencement of the pre-Independence *Ex-servicemen's Credit Act 1968*); or
- (b) in relation to the Native Loans Board—means 3 July 1969 (being the date of commencement of the *Papua and New Guinea Development Bank (Native Loans Fund) Act 1969*);

“the take-over date”, in relation to the Native Loans Fund, means 1 April 1969 (being the date fixed under Section 28D of the *Papua and New Guinea Development Bank Act 1965* as the date of the transfer of the Native Loans Fund scheme to the Agriculture Bank).

60. Effect of instruments to which Part VIII. applies.

(1) In the operation of any instrument to which this Part applies in relation to acts, matters and things done, entered into or occurring—

- (a) in the case of acts, matters and things affecting the Ex-servicemen's Credit Board—on or after the prescribed date; or
- (b) in the case of acts, matters and things affecting the Native Loans Board—on or after the take-over date,

the instrument has effect as if references in it to that Board were references to the Agriculture Bank.

(2) The substitution of the Agriculture Bank for the Ex-servicemen's Credit Board or the Native Loans Board does not, except for the substitution—

- (a) affect any right or obligation of any person; or
- (b) make defective any legal proceedings by or against any person.

(3) An authorized officer may, by writing under his hand, certify that an instrument specified or described in the certificate was—

- (a) in the case of instruments affecting the Ex-servicemen's Credit Board—on the prescribed date; and
- (b) in the case of instruments affecting the Native Loans Board—on the take-over date,

an instrument to which this section applies.

(4) Judicial notice shall be taken of the signature of an authorized officer appearing on a certificate under Subsection (3) and of the fact that the person by whom the certificate purports to have been signed is an authorized officer.

61. Exemption from stamp duty.

An instrument or document that an authorized officer certifies to have been made, executed or given by reason of, or for a purpose connected with or arising out of, the operation of—

- (a) this Part; or
- (b) Section 21 of the *Ex-servicemen's Credit Act 1968*; or
- (c) Section 28D or 28E of the *Papua and New Guinea Development Bank Act 1965*,

is not liable to stamp duty under any law.

62. Transfer of title.

Where any property, or an interest in any property, was vested—

- (a) immediately before the prescribed date—in the Ex-servicemen's Credit Board;
or
- (b) immediately before the take-over date—in the Native Loans Board,

the Secretary for Natural Resources, the Registrar of the National Court or the Registrar of Titles, as the case may be, shall, without formal transfer and without fee, enter or register the Agriculture Bank on any instrument or record in his possession or control evidencing title to the property or interest as the owner or holder, as the case requires, of it.

PART IX.—MISCELLANEOUS.

63. Head office.

The head office of the Agriculture Bank shall be at such place in the country as the Board from time to time decides.

64. Attorney.

The Agriculture Bank may, by instrument under its seal, appoint a person (whether within or outside the country) to be its attorney and, subject to the instrument, a person so appointed may do any act or exercise or perform any power or function that he is authorized by the instrument to do, exercise or perform.

65. Offices, agents, agency functions, etc.

In the exercise of its powers and the performance of its functions, the Agriculture Bank may—

- (a) establish offices, branches and agencies at such places within the country as it thinks necessary; and
- (b) arrange with a person to act as agent of the Bank in any place within or outside the country; and
- (c) act as the agent of a bank carrying on business within or outside the country.

66. Guarantee by the State.

The State is responsible for the payment of all moneys due by the Agriculture Bank, but this section does not authorize a creditor or other person claiming against the Bank to sue the State in respect of the claim.

67. Taxation.

The Agriculture Bank is not liable to taxation under any law in respect of a transaction, act or dealing of the Bank as such.

68. Periodical returns.

The Agriculture Bank shall furnish to the Minister such periodical statements as are prescribed.

69. Power to improve property and carry on business.

Where the Agriculture Bank holds any property or business as security for a loan or advance, and the property or business falls into the hands of the Bank, the Bank may maintain, repair or improve the property, or carry on the business, until the Bank, in its discretion, can dispose of the property or business in the best interests of the Bank.

70. Execution of contracts.

(1) Contracts on behalf of the Agriculture Bank may be made, varied or discharged in accordance with this section, and any contract so made is effectual in law, and is binding on the Bank and on all other parties to the contract, and their heirs, successors, assigns, executors and administrators.

(2) A contract that, if made between private persons, would by law be required to be in writing under seal may be made, varied or discharged in the name and on behalf of the Agriculture Bank in writing under the seal of the Bank.

(3) A contract that, if made between private persons, would by law be required to be in writing and signed by the parties to be charged with it may be made, varied or discharged in the name and on behalf of the Agriculture Bank in writing signed by a person acting with the express or implied authority of the Bank.

(4) A contract that, if made between private persons, would by law be valid although made by parol only may be made, varied or discharged by parol in the name and on behalf of the Agriculture Bank by a person acting with the express or implied authority of the Bank.

(5) This section does not invalidate a contract executed on behalf of the Agriculture Bank by a duly appointed attorney of the Bank if the contract would be valid if executed by the attorney on his own behalf.

71. Investment of trust moneys.

A trustee, executor or administrator may invest trust moneys in his hands on deposit with the Agriculture Bank.

72. Validity of acts and transactions of the Bank.

The validity of an act or transaction of the Agriculture Bank shall not be called in question in any legal proceedings on the ground that any provision of this Act has not been complied with.

73. Regulations.

The Head of State, acting on advice, may make regulations, not inconsistent with this Act, prescribing all matters that by this Act are required or permitted to be prescribed or that are necessary or convenient to be prescribed for carrying out or giving effect to this Act or for the conduct of business by the Agriculture Bank, and in particular prescribing penalties of fines not exceeding—

- (a) K40.00 for offences against the regulations made for the purposes of Part VI. ; or
- (b) K100.00 for other offences against the regulations.

SCHEDULE.

Sec. 14.

OATH AND AFFIRMATION OF OFFICE.

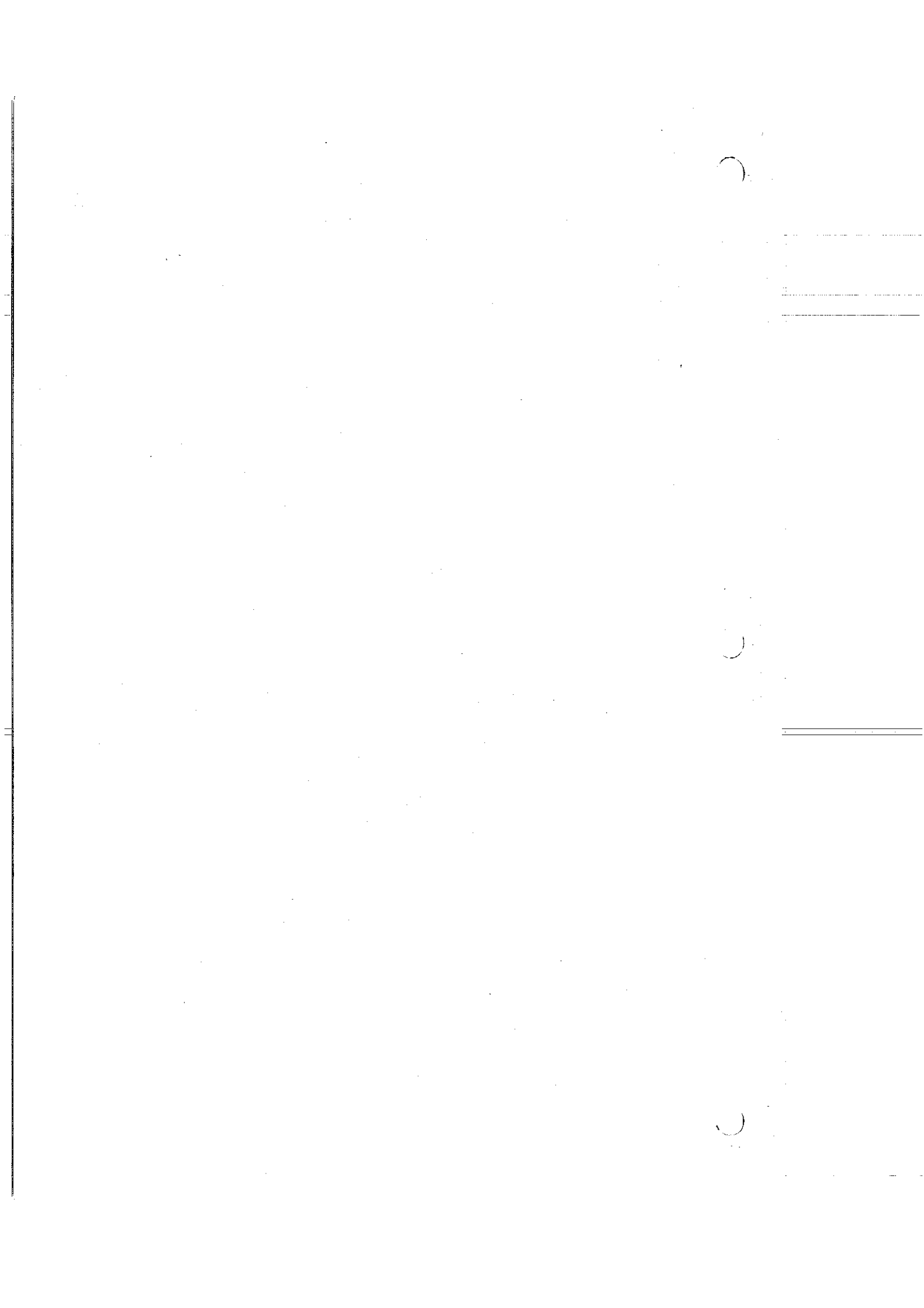
Oath.

I, _____, do swear that I will give good and faithful service as a member of the Agriculture Bank of Papua New Guinea Board.

So help me God!

Affirmation.

I, _____, do solemnly and sincerely affirm and declare that I will give good and faithful service as a member of the Agriculture Bank of Papua New Guinea Board.



INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 139.

Agriculture Bank Regulation.

ARRANGEMENT OF SECTIONS.

PART I.—PRELIMINARY.

1. Interpretation—
"authorized dealer"
"branch".

PART II.—FORMS.

2. Declaration of secrecy.
3. Financial statements.
4. Applications for further loans.

PART III.—GENERAL PROVISIONS.

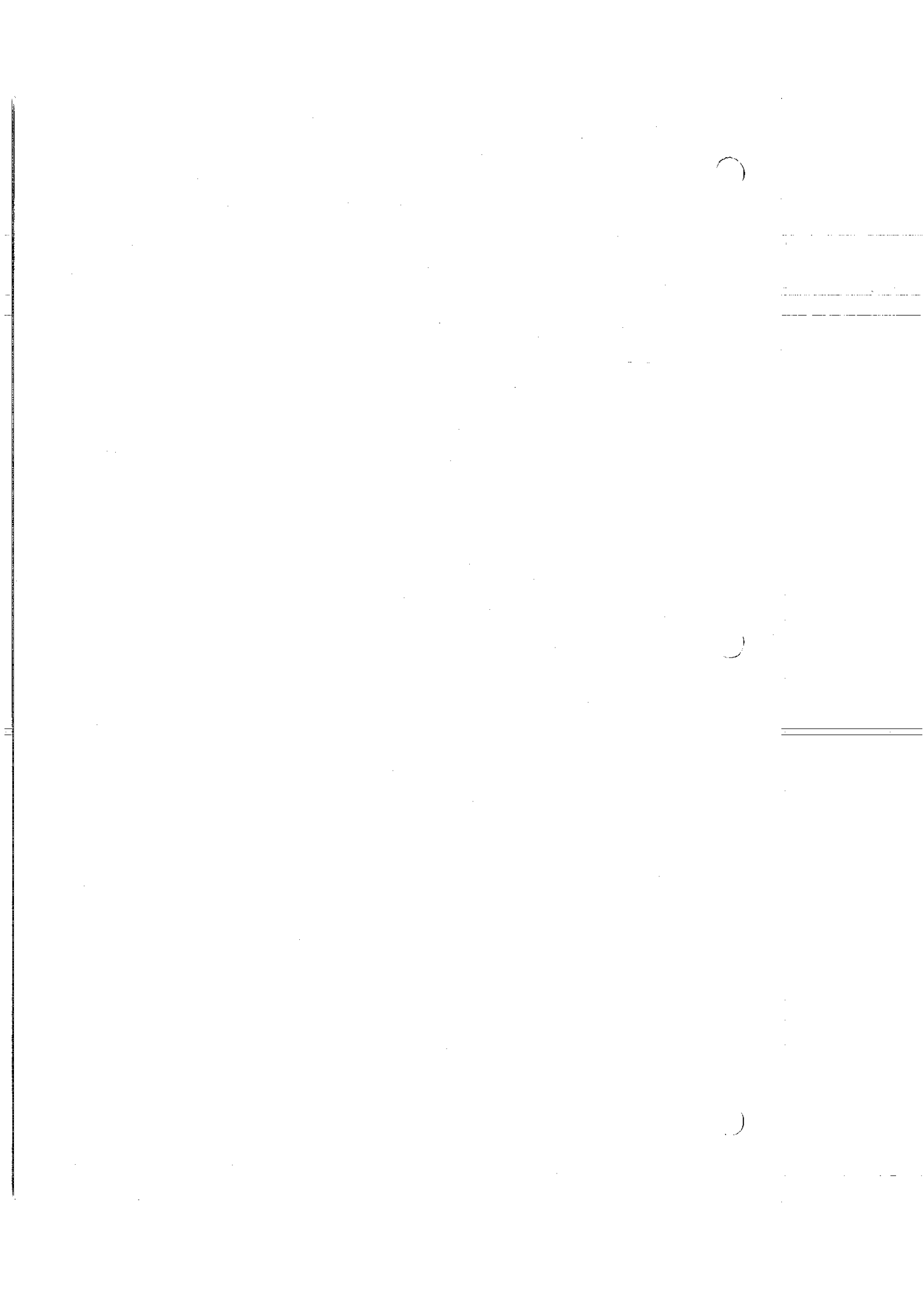
5. Office hours.
6. Information to be furnished by customers.
7. Duty of Bank to inquire as to operations on accounts.
8. Powers of attorney, etc.
9. Secrecy.

PART IV.—SPECIAL PROVISIONS RELATING TO EX-SERVICEMEN'S
CREDIT LOANS.

10. Procedure at meetings of the Board.
11. Interest on loans.
12. Accounts.
13. Advance payments:

SCHEDULE—

- FORM 1.—Declaration of Secrecy.
FORM 2.—Balance-sheet.
FORM 3.—Application for Further Loan.



INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 139

Agriculture Bank Regulation.

MADE under the *Agriculture Bank Act.*

PART I.—PRELIMINARY.

1. Interpretation.

In this Regulation, unless the contrary intention appears—

“authorized dealer in the short-term money market” means a person—

- (a) who, in accordance with arrangements made between the Central Bank and the person, deals in securities issued by the Government and, for that purpose, borrows money for short periods; and
- (b) whom the Central Bank declares, in writing, to be an authorized dealer in the short-term money market;

“branch”, in relation to a bank, includes the head office of the bank.

PART II.—FORMS.

2. Declaration of secrecy.

A declaration of secrecy for the purposes of Section 14 of the Act shall be in Form 1.

3. Financial Statements.

(1) Subject to Subsection (2), for the purposes of Section 32(1)(b) of the Act the prescribed form is Form 2.

(2) The Board is not required to include in a financial statement furnished under Section 32 of the Act an item included in Form 2 if no amount is applicable to the item.

4. Applications for further loans.

An application for a further loan under Division VI.3 of the Act shall be in Form 3, and shall contain the particulars specified in that form.

PART III.—GENERAL PROVISIONS.

5. Office hours.

Branches and agencies of the Agriculture Bank shall be open for transaction of business on such days, and during such hours, as the Bank determines.

6. Information to be furnished by customers.

The Agriculture Bank may require a person who wishes to transact banking business with the Bank to furnish to the Bank particulars of his name, address and occupation and such other particulars as, in the opinion of the Bank, are necessary to enable the Bank to conduct the business properly.

7. Duty of Bank to inquire as to operations on accounts.

The Agriculture Bank shall not be under any liability by reason of its failure to ascertain that the method in accordance with which a firm, company, society, local authority, club or other body of persons desires to operate on an account, to deal with a security or to transact any other business with the Bank is in accordance with any deed, articles, rules or other instrument of the firm, company, society, local authority, club or body.

8. Powers of attorney, etc.

When any business is to be transacted with the Agriculture Bank under a power of attorney, probate of a will or letters of administration of an estate, the Bank may require—

- (a) the original power of attorney, probate or letters of administration to be produced to the Bank; and
- (b) a copy of the power of attorney, probate or letters of administration to be lodged with the Bank.

9. Secrecy.

An officer, agent or other person carrying on any business of the Agriculture Bank must not—

- (a) permit a person to have access to, or furnish to a person copies of, or extracts from, books or papers belonging to, or in the possession of, the Bank; or
- (b) furnish to a person information relating to the business of the Bank, other than information furnished to or on the order of a customer of the Bank in respect of his own matters,

except by direction or authority of the Bank or under compulsion or obligation of law.

Penalty: A fine not exceeding K100.00.

PART IV.—SPECIAL PROVISIONS RELATING TO EX-SERVICEMEN'S CREDIT LOANS.

10. Procedure at meetings of the Board.

Meetings of the Board for the purposes of Part VI. of the Act shall be held *in camera*, and all information given at such a meeting is, except for the purposes of that Part, confidential.

11. Interest on loans.

(1) Subject to Subsections (2) and (3), interest on a loan to which Part VI. of the Act applies is payable at the rate of 3.75% per annum.

(2) Interest on arrears of principal or interest is payable at the rate of 4.75% per annum instead of the interest prescribed by Subsection (1).

(3) Where the amount of a loan or loans made to any one person, whether at the same time or at different times exceeds in total K50 000.00, the rate of interest on the amount in excess of K50 000.00 is, unless the Minister directs that this section does not apply, 5% per annum plus an additional 1% per annum on any arrears of principal or interest in relation to that excess amount.

12. Accounts.

The Agriculture Bank shall maintain for each borrower separate accounts, in such a manner as to reflect, to the best of the ability of the Bank, full and accurate details of the state of the loan from time to time.

13. Advance payments.

The Agriculture Bank may refuse to accept payment of the whole or part of the principal and interest of a loan before the time when payment is due unless that payment—

- (a) is of K20.00 or a multiple of K20.00; and
- (b) is made on a day on which an instalment of principal or interest is due under Section 37 of the Act.

SCHEDULE.

Agriculture Bank Act.

Act, Sec. 14.

Form 1.

Reg., Sec. 2.

DECLARATION OF SECRECY.

I, _____, a member of the Agriculture Bank of Papua New Guinea Board, do solemnly and sincerely declare that I will at all times maintain secrecy in relation to the affairs of the Board and of the Agriculture Bank of Papua New Guinea and, in particular, that I will not directly or indirectly communicate or divulge any information that comes to my knowledge in the performance of my functions as a member of the Board, except by authority of the Board or under compulsion or obligation of law.

(Signature of Declarant.)

Declared _____, 19 ____
Before me:

*(Signature of person before whom
declaration is made.)*

Ch. No. 139

Agriculture Bank

PAPUA NEW GUINEA.
Agriculture Bank Act.

Act, Sec. 32(1)(b).
Reg., Sec. 3.

Form 2.

AGRICULTURE BANK OF PAPUA NEW GUINEA.
BALANCE-SHEET.
BALANCE-SHEET AS AT 31 DECEMBER 19 .

Liabilities.	K	Assets.	K
Capital		Coin, bullion, notes and cash at bankers	
Agriculture Bank of Papua		Money at short call overseas	
New Guinea Reserve Fund		Government securities*—	
Balances due to other banks		(a) Central Government—	
Deposits, bills payable and all		(i) Treasury Bills and Treasury	
other liabilities (including		notes	
amounts provided for		(ii) Other securities	
contingencies)		(b) Local and semi-government	
		authorities	
		Other public securities*	
		Other securities*	
		Loans to authorized dealers in the	
		short-term money market	
		Cheques and bills of other banks	
		and balances with and due	
		from other banks	
		Loans,† advances and bills	
		discounted (after deducting	
		provisions for debts	
		considered bad or doubtful)	
		Bank premises*	
		Bills receivable and remittances	
		in transit	
		All other assets	
Total	K	Total	K

* State basis of valuation, that is, cost price, market price or otherwise.

† Excluding loans to authorized dealers in the short-term money market.

(Amended by No. 47 of 1977, Schedule 2.)

Statement of Profit and Loss for Year Ended
30 June 19 .

	K		K
Expenses		Discount and interest earned, net	
Taxes, and payments in lieu of taxes		exchange, commissions and other items (including transfers from contingencies accounts), after deducting interest paid and accrued on deposits, rebate on bills current at balance date, amounts written off assets and losses on realization of assets and transfers to the credit of contingencies accounts (out of which accounts provisions for all bad and doubtful debts have been made)	
Balance, being profit carried down			
Total	K	Total	K
Amounts written off bank premises		Balance brought down as above	
Net profits appropriated to Agriculture Bank of Papua New Guinea Reserve Fund			
Total	K	Total	K

PAPUA NEW GUINEA.

Agriculture Bank Act.

Act, Sec. 45, 46.

Form 3.

Reg., Sec. 4.

APPLICATION FOR FURTHER LOAN.

To:

Agriculture Bank of Papua New Guinea ,

I (block letters, underline surname) of (postal address) having been issued with Certificate of Eligibility No. under the *Ex-servicemen's Credit Act 1958* apply for a further loan under Section 45 of the *Agriculture Bank Act* for the purposes of the development of the under-mentioned land.

Land Application No.:

Date granted:

Portion No.:

Milinch:

Fourmil:

Province:

Area:

Type of lease: (agricultural, pastoral, special)

Term of lease:

Annual rental:

Date of birth:

Marital conditions:

Number of dependants:

Relationships:

Age:

EXISTING IMPROVEMENTS.

Agricultural Improvements:

Area planted	ha with	aged	years.
	ha with	aged	years.
	ha with	aged	years.

Pastoral Improvements:

Fencing chains:—Construction	Est. value K
Other (bores, dams, etc.)	Est. value K

Structural Improvements:

Residence	m ²	Est. value K
Construction: foundations	frame	
roof	wall sheathing	
Furniture and fittings		Est. value K
Insured for K		
Labour Quarters:—accommodation for workers		
Construction		Est. value K
Sheds, dimensions		Est. value K
Store, dimensions		Est. value K
Other buildings:—(Specify)		Est. value K

Other Improvements:

Roads, drains, etc.	Est. value K
Contour terracing, etc.	Est. value K
Yards, dip, etc.	Est. value K

Other Assets:

Stock:—No. of head	Est. value K	
Transport:—make	capacity	Est. value K
year of manufacture		
Tractor:—make	power	Est. value K
year of manufacture		
Other plant and equipment:—(Specify)		Est. value K

Total value of land and improvements K _____

No. of workers employed at present:

Where recruited:

ADDITIONAL IMPROVEMENTS FOR WHICH FINANCE IS REQUIRED TO BRING PROPERTY TO HOME MAINTENANCE AREA STANDARD.

Agricultural Improvements:

Area capable of further development	ha
Suitable for	ha
	ha
Estimated cost per ha to clear, plant and bring into production	K

Pastoral Improvements:

Specify	Est. value K
Estimated total cost of development of additional land to home maintenance area standard	K

Structural Improvements:

Residence	Est. value K
Furniture and fittings	Est. value K
Labour quarters	Est. value K
Other buildings	Est. value K

Agriculture Bank

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<i>Other assets:</i>		
Stock		Est. value K
Transport: make	capacity	Est. value K
	type	
Tractor: make	power	Est. value K
	type	
Other plant and equipment:—	(Specify)	Est. value K
Working capital (<i>a detailed break-up of costs should be attached</i>)		K
Total finance required for additional improvements, assets and working capital to bring property to home maintenance area standard.		K
Financial encumbrances (if any) on existing property		K
Total additional capital required, including discharge of present financial commitments, to bring property to home maintenance area standard.		K

Additional labour required:

To be recruited from:

Does any other person or organization hold any interest in the land and improvements set out above:

(Specify partnership, mortgage, assignment, lien, etc.)

Amount K

(Specify name and address of interested party)

Other financial commitments:

(Specify—overdraft, overdue accounts, etc.)

Amount K

Do you, or, if married, does your wife hold any interest in land in Papua

New Guinea :—

Est. value K

(Specify location, type of property)

Do you possess any other capital assets —

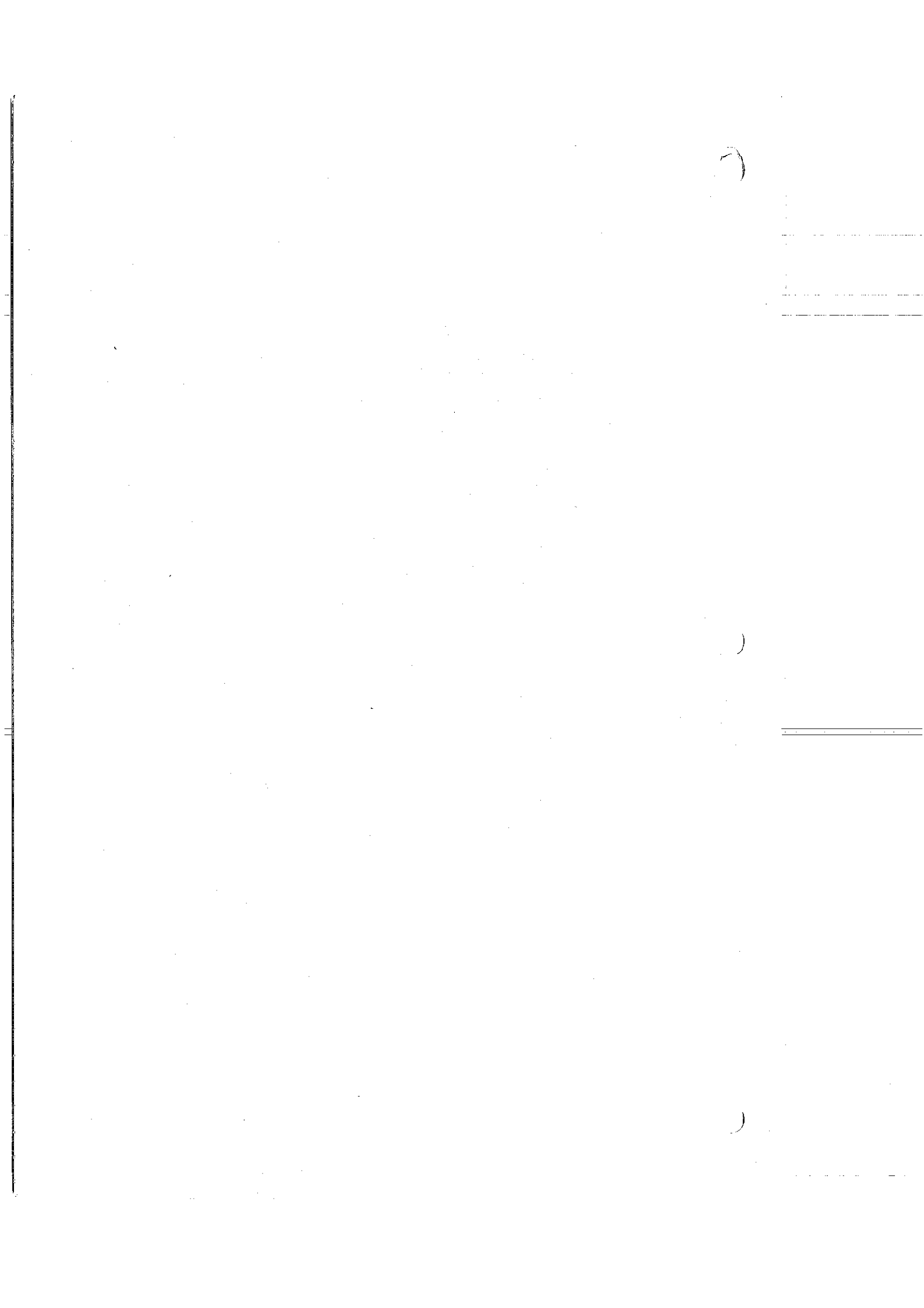
(Specify—include cash)

I declare that I have made the above statement conscientiously believing it to be true, and I further declare that if my application for a loan is granted it is my intention to reside on and devote my full time to the management of the property the subject of loan unless the Board otherwise approves.

(Signature of Applicant.)

Dated 19 .

NOTE.—In accordance with Section 46 of the *Agriculture Bank Act* in the case where the enterprise is to be owned or conducted jointly by two or more persons not all of whom are eligible persons, this application must be accompanied by a statement setting out in full the details of the arrangement or agreement, the manner in which the loan is to be used, and the proportion of the profits to be taken by the eligible person.



INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 139.

Agriculture Bank.

APPENDIX 1.

SOURCE OF THE AGRICULTURE BANK ACT.

Previous Legislation.

Development Bank Act

as amended by—

Public Bodies (Audit Provisions) Act 1982 (No. 30 of 1982)

Public Bodies (Subsidiary Companies) Act 1983 (No. 8 of 1983).

Development Bank (Change of Name) Act 1984 (No. 31 of 1984).

APPENDIX 2.

SOURCE OF THE AGRICULTURE BANK REGULATION.

Previous Legislation.

Development Bank Regulation

as amended by—

Development Bank (Change of Name Act) (No. 31 of 1984).
