

INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 133.

Loans (Overseas Borrowings).

GENERAL ANNOTATION.

ADMINISTRATION.

As at 13 February 1976 (the date of gazettal of the most comprehensive allocation of responsibilities to Ministers and Departments at about the effective date), the administration of this Chapter was vested in the Minister for Finance.

Accordingly, as at that date, except where a different intention is clearly indicated by note or in the text, references in or in relation to this Chapter to—

“the Minister”—should be read as references to the Minister for Finance;

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

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

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CHAPTER NO. 133.

Loans (Overseas Borrowings) Act.

ARRANGEMENT OF SECTIONS.

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 "loan agreement"
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INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 133.

Loans (Overseas Borrowings) Act.

Being an Act to provide for the raising of loans overseas, and for related purposes.

1. Interpretation.

(1) In this Act—

“loan agreement” means an agreement of a kind referred to in Section 2(1), whether known as a loan agreement or a bond purchase agreement or otherwise;

“the regulations” means any regulations made under this Act.

(2) A reference in this Act to a loan agreement shall be read as including a reference to any bond, promissory note or other instrument issued under Section 3 for the purpose of giving effect to the agreement, and a reference to the principal of, or interest or other charges on, a loan shall be read as including a reference to any amount payable under any such bond, promissory note or instrument.

2. General borrowing powers.

(1) The Head of State, acting on advice, may, on behalf of the State, borrow from or through overseas financial institutions, in such manner and on such terms and conditions as are agreed on by the Head of State, acting on advice, and the institutions, sums not exceeding in total the sum of K65 000 000.00 or the equivalent in other currencies, for the purposes of—

(a) meeting the expenses of borrowing; and

(b) works and services of the Government; and

(c) making loans to—

(i) the Papua New Guinea Electricity Commission for the purpose of development of electricity supply works; or

(ii) the Papua New Guinea Harbours Board for the purposes of the Board; or

(iii) the Housing Commission for the purposes of the Commission; or

(iv) the Papua New Guinea Development Bank for the purposes of the Bank; or

(v) the Investment Corporation of Papua New Guinea for the purposes of the Corporation.

(2) Any sum borrowed under Subsection (1) shall be applied only in accordance with the loan agreement with such modifications (if any) as are agreed on by the Head of State, acting on advice, and the institution concerned.

(3) A loan agreement shall be made in the name of the State and be executed on behalf of the State by the Minister or a person authorized by the Minister for the purpose.

(4) As soon as practicable after the execution of a loan agreement, the Minister shall cause a copy of the agreement to be laid before the Parliament for its information.

(5) Nothing in this section or in a loan agreement constitutes an appropriation of the proceeds of a loan.

3. Issue of instruments (including bonds) under loan agreements.

(1) Notwithstanding anything in any other law, the Head of State, acting on advice, may, on behalf of the State, issue such bonds, promissory notes and other instruments, and on such terms and conditions, as are necessary or convenient for the purpose of giving effect to the terms of a loan agreement.

(2) A bond, promissory note or instrument issued under Subsection (1) shall be executed on behalf of the State by the Minister or a person authorized by the Minister for the purpose.

4. Pre-appropriation of moneys for repayment of loans.

All payments of principal and interest and other charges payable under a loan agreement shall be made out of the Consolidated Revenue Fund which is, to the necessary extent, appropriated accordingly.

5. Effect of agreements.

A loan agreement entered into under this Act has the force of law as if contained in this Act, and applies notwithstanding anything in any other law.

6. Exemptions from taxation, etc.

Notwithstanding anything in any other law, where a loan agreement provides that any person, income, matter or thing shall be exempt, wholly or partly, and absolutely or conditionally, from any rate, charge, tax, duty, levy, fee or imposition under any law, the person, income, matter or thing is exempt accordingly.

7. Operation of certain Acts.

(1) Subject to Subsection (2), nothing in the *Loans Securities Act* applies to or affects this Act or any agreement entered into under this Act.

(2) Part VI. of the *Loans Securities Act* applies to and in relation to all sums borrowed under this Act.

(3) Nothing in the *Government Contracts Act* applies to or in respect of a loan agreement made under this Act.

(4) Nothing in this Act affects the operation of the *Loans and Assistance (International Agencies) Act*.

8. Regulations.

The Head of State, acting on advice, may make regulations, not inconsistent with this Act, prescribing all matters that are necessary or convenient to be prescribed for carrying out or giving effect to this Act.

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APPENDIX.

SOURCE OF THE LOANS (OVERSEAS BORROWINGS) ACT.

Part A.—Previous Legislation.

Loans (Overseas Borrowings) Act 1973 (No. 16 of 1973)

as amended by—

Transfer of Powers Regulations 1973 (Statutory Instrument No. 49 of 1973)

Loans (Overseas Borrowings) (Amendment) Act 1974 (No. 54 of 1974).

Part B.—Cross References.

Section, etc., in Revised Edition.	Previous Reference. ¹
1	3
2	4
3	5
4	6
5	7
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¹ Unless otherwise indicated, references are to the Act set out in Part A.

