

*Finance (Administration) Act – Resolution of Parliament to
guarantee borrowing by the Saint Lucia Development Bank
from the Caribbean Development Bank*

SAINT LUCIA

STATUTORY INSTRUMENT, 2012, No. 34

[23rd April, 2012]

RESOLUTION

WHEREAS it is provided by section 41 of the Finance (Administration) Act, Cap.15.01 that no guarantee involving any financial liability shall be binding upon Government unless it is given in accordance with an enactment or unless approved by Resolution of Parliament;

AND WHEREAS it is further provided by section 42 of the Finance (Administration) Act, Cap.15.01 that any obligation arising from a guarantee given in accordance with section 41 is a debt charge and all debt charges for which the Government is liable shall be charged upon and paid out of the Consolidated Fund;

AND WHEREAS the Minister of Finance deems it necessary to guarantee a Line of Credit in the amount of US\$5,000,000.00 towards the repayment of a loan obtained by the Saint Lucia Development Bank from the Caribbean Development Bank for on-lending to approved sectors of the economy;

AND WHEREAS an amount of the loan not exceeding the equivalent of US\$1,000,000.00 shall be allocated from the Caribbean Development Bank's Special Funds Resources;

AND WHEREAS a commission and commitment charge shall not apply to the Special Funds Resources Portion of the loan;

AND WHEREAS the amount withdrawn from the Special Funds Resources Portion of the loan is to be repaid in sixty equal

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or approximately equal and consecutive quarterly installments on each due date, commencing on the first due date after the expiration of five years following the date of the loan agreement, or such later due date as the Caribbean Development Bank may specify in writing;

AND WHEREAS the interest on the Special Funds Resources Portion of the loan shall be at a rate of 2.5% per annum on the amount of the Special Funds Resources Portion withdrawn and outstanding from time to time, to be paid quarterly, the first payment being due and payable on the first due date after the date of the first disbursement of the loan;

AND WHEREAS an amount of the loan not exceeding the equivalent of US\$4,000,000.00 shall be allocated from the Caribbean Development Bank's Ordinary Capital Resources;

AND WHEREAS the amount withdrawn from the Ordinary Capital Resources Portion of the Loan is to be repaid in sixty equal or approximately equal and consecutive quarterly installments on each due date commencing on the first due date after the expiration of five years following the date of the loan agreement or such other due date as the Caribbean Development Bank may specify in writing;

AND WHEREAS the interest on the Ordinary Capital Resources Portion of the loan shall be at a rate of 3.66% per annum on the amount of the Ordinary Capital Resources Portion withdrawn and outstanding from time to time, to be paid quarterly, the first payment being due and payable on the first due date after the date of the first disbursement of the loan;

AND WHEREAS a commitment charge of $\frac{1}{4}$ % per annum is payable on any unwithdrawn portion of the Ordinary Capital Resource Portion of the loan and shall be payable quarterly on the due dates, the first payment being due and payable on the first due date after the date on which the charge shall first accrue;

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BE IT RESOLVED that Parliament authorizes the Minister of Finance to guarantee a Line of Credit in the amount of US\$5,000,000.00 towards the repayment of a loan obtained by the Saint Lucia Development Bank from the Caribbean Development Bank for on-lending to approved sectors of the economy.

Passed in the House of Assembly this 20th day of March, 2012.

PETER I. FOSTER,
Speaker of the House.

Passed in the Senate this 29th day of March, 2012.

CLAUDIUS J. FRANCIS,
President of the Senate.