

*Finance (Administration) Act  
Resolution of Parliament Authorizing the Minister for Finance  
to borrow for capital expenditure*

## **SAINT LUCIA**

STATUTORY INSTRUMENT, 2012, No. 139

[ 5th November, 2012 ]

**WHEREAS** it is provided by section 39 of the Finance (Administration) Act, Cap.15.01 that the Minister for finance may, by Resolution of Parliament, borrow money from a bank or other financial institution for the capital or recurrent expenditure of Government;

**AND WHEREAS** it is further provided by section 42(1) of the said Act that there shall be charged upon and paid out of the Consolidated Fund debt charges for which the Government is liable;

**AND WHEREAS** the Minister for finance deems it necessary to borrow the sum of EC\$154,000,000.00 in the form of a Non-Revolving Demand Loan from First Caribbean International Bank (Barbados) Limited.

**AND WHEREAS** the loan offer is divided into two components to be utilized as follows:

- (a) a refinanced loan in the sum of EC\$81,000,000.00 -
  - (i) to repay existing loans of EC\$44,800,000.00 plus accumulated interest;
  - (ii) to repay the Amazona Properties loan of EC\$35,700,000.00, including a principal of EC\$32,200,000.00 plus 50% of accumulated interest in the amount of EC\$3,500,000.00;
  - (iii) EC\$500,000.00 to meet fees and additional interest charges; and
- (b) a loan in the sum of EC\$73,000,000.00 to assist the Government in financing the 2012/2013 budget.

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**AND WHEREAS** the terms and conditions of the loan offer are as follows:

- (a) refinanced loan in the sum of EC\$81,000,000.00 to be repaid to First Caribbean International Bank (Barbados) Limited with;
  - (i) a two-year moratorium on the principal with interest payable semi-annually in arrears and thirty regular blended semi-annual payments of EC\$4,000,138.02 each, to commence two years after full drawdown of the Facility;
  - (ii) an interest rate of 2.5% above the minimum savings rate approved by the Monetary Council of the Eastern Caribbean Bank, currently set at 3%, resulting in the effective rate of 5.5% per annum for the time being;
- (b) loan in the sum of EC\$73,000,000.00 to be repaid to First Caribbean International Bank Limited with;
  - (i) a two-year moratorium on the principal with interest payable semi-annually in arrears and thirty regular blended semi-annual payments of EC\$3,712,380.33 each, to commence two years after full drawdown of the Facility;
  - (ii) an arrangement fee in the amount of 0.4%;
  - (iii) an interest rate of 2.95% above the minimum savings rate approved by the Monetary Council of the Eastern Caribbean Bank, currently set at 3%, resulting in the effective rate of 5.95% per annum for the time being.

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**BE IT RESOLVED** that Parliament authorizes the Minister for finance to borrow the sum of EC\$154,000,000.00 from First Caribbean International Bank (Barbados) Limited in two components including a refinanced loan of EC\$81,000,000.00 and a loan of EC\$73,000,000.00 to assist the Government in financing the 2012/2013 budget.

Passed in the House of Assembly this 25th day of October, 2012.

PETER I. FOSTER,  
*Speaker of the House.*

Passed in the Senate this 25th day of October, 2012.

CLAUDIUS J. FRANCIS,  
*President of the Senate.*