

*Finance (Administration) Act-Resolution of Parliament Authorizing the
Government to Borrow for Capital or Recurrent Expenditure-
Budget Financing*

SAINT LUCIA

STATUTORY INSTRUMENT, 2006, No. 38

[15th May, 2006]

WHEREAS it is provided by section 39 of the Finance (Administration) Act 1997, No. 3 that the Minister of Finance may, by a 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 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 of Finance deems it necessary to borrow EC\$32,400,000 from the FirstCaribbean International Bank (Barbados) Limited for the purpose of budget financing.

AND WHEREAS the Minister of Finance shall pay to FirstCaribbean International Bank (Barbados) Limited an arrangement fee in an amount equal to 0.5% of the amount of the loan;

AND WHEREAS the loan shall be disbursed as Loan No. 1-EC\$16,400,000 and Loan No. 2 –EC\$16,000,000;

AND WHEREAS in respect of Loan No. 1-EC\$16,400,000 the Minister of Finance shall, subject to a two year moratorium on the principal amount with interest payable semi-annually in arrears, pay to the FirstCaribbean International Bank (Barbados) Limited sixteen regular blended payments of EC\$1,318,127 each, the first blended semi-annual payment being due thirty months from the date of the first drawdown and the last payment plus any outstanding principal and interest being due one hundred and twenty months from the date of the first drawdown;

AND WHEREAS in respect of Loan No.2-EC\$16,000,000, a bullet payment of EC\$8,000,000 or 50% of the principal shall be made by the Minister of Finance at the end of year 5 and a further 8,000,000 or 50% of the principal shall be paid by the Minister of Finance at the end of year 10;

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AND WHEREAS the interest rate shall be 3.25% above the minimum savings rate approved by the Monetary Council of the Eastern Caribbean Central Bank, which is currently 3%, resulting in the effective rate of 6.25% per annum for the time being;

BE IT RESOLVED that the House of Assembly and the Senate hereby authorize the Minister of Finance to borrow the sum of EC\$32,400,000 from the FirstCaribbean International Bank (Barbados) Limited for the purpose budget financing.

Passed in the House of Assembly this 28th day of April, 2006.

J. BADEN ALLAIN,
Speaker of the House of Assembly.

Passed in the Senate this 4th day of May, 2006.

HILFORD DETERVILLE,
President of the Senate.