

Finance (Administration) Act — Resolution of Parliament to borrow for capital expenditure - Caribbean Regional Communications Infrastructure Program

SAINT LUCIA

STATUTORY INSTRUMENT, 2020, No. 109

[6th July, 2020]

RESOLUTION

WHEREAS it is provided under section 39(1) of the Finance (Administration) Act, Cap. 15.01 that the Minister of Finance may, by resolution of Parliament, borrow money from a bank or other financial institution for the capital expenditure of Government;

AND WHEREAS it is further provided under section 42(1) of the Finance (Administration) Act, Cap. 15.01 that there shall be charged on and paid out of the Consolidated Fund debt charges for which the Government is liable;

AND WHEREAS Parliament by the Finance (Administration) Act - Resolution of Parliament to Authorize the Minister of Finance to guarantee borrowing from the International Development Association to finance the Caribbean Regional Communications Infrastructure Program (Statutory Instrument, No. 85 of 2020) authorized the Minister of Finance to —

- (a) guarantee a loan in the amount of US\$4,100,000.00 from the International Development Association for the purpose of financing the Caribbean Regional Communications Infrastructure Program;
- (b) pay the Maximum Commitment Charge Rate payable on the Unwithdrawn Financing Balance of one-half of one per cent ($1/2$ of 1%) per annum;
- (c) pay a service charge on the Withdrawn Credit Balance that is equal to the greater of —
 - (i) the sum of three-fourths of one per cent ($3/4$ of 1%) per annum plus the Basis Adjustment to the Service Charge,
 - (ii) three-fourths of one per cent ($3/4$ of 1%) per annum;

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- (d) pay the loan in twenty years from the date of first disbursement of the loan;
- (e) repay the principal amount of the loan on each 15th day of February and 15th day of August of each year at a rate of —
 - (i) one per cent (1%), commencing on the 15th day of August, 2030 to, and including the 15th day of February, 2040,
 - (ii) two per cent (2%), commencing on the 15th day of August, 2040 to, and including the 15th day of February, 2060.

AND WHEREAS the borrowing approved by Parliament in Statutory Instrument, No. 85 of 2020 is not a guarantee and as such Statutory Instrument, No. 85 of 2020 must be revoked;

AND WHEREAS the Minister of Finance considers it necessary to borrow US\$4,100,000.00 from the International Development Association for capital expenditure for the Caribbean Regional Communications Infrastructure Program;

AND WHEREAS the Maximum Commitment Charge Rate payable on the Unwithdrawn Financing Balance is one-half of one per cent ($1/2$ of 1%) per annum;

AND WHEREAS a Service Charge is payable on the Withdrawn Credit Balance that is equal to the greater of —

- (a) the sum of three-fourths of one per cent ($3/4$ of 1%) per annum plus the Basis Adjustment to the Service Charge; and
- (b) three-fourths of one per cent ($3/4$ of 1%) per annum;

AND WHEREAS the loan is repayable in forty years from the date of first disbursement of the loan inclusive of a ten-year grace period;

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AND WHEREAS the principal amount of the loan is repayable on each 15th day of February and 15th day of August of each year commensurate with —

- (a) one per cent (1%) of the loan amount, commencing on the 15th day of August, 2030 to, and including the 15th day of February, 2040;
- (b) two per cent (2%) of the loan amount, commencing on the 15th day of August, 2040 to, and including the 15th day of February, 2060;

BE IT RESOLVED that Parliament revokes the Finance (Administrative) Act - Resolution of Parliament to Authorize the Minister of Finance to guarantee borrowing from the International Development Association to finance the Caribbean Regional Communications Infrastructure Program, published as Statutory Instrument, No. 85 of 2020;

BE IT FURTHER RESOLVED that Parliament authorizes the Minister of Finance to borrow US\$4,100,000.00 from the International Development Association for capital expenditure for the Caribbean Regional Communications Infrastructure Program;

BE IT FURTHER RESOLVED that —

- (a) the Maximum Commitment Charge Rate payable on the Unwithdrawn Financing Balance is one-half of one per cent (1/2 of 1%) per annum;
- (b) a service charge is payable on the Withdrawn Credit Balance that is equal to the greater of —
 - (i) the sum of three-fourths of one per cent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge, and
 - (ii) three-fourths of one per cent (3/4 of 1%) per annum;
- (c) the loan is repayable in forty years from the date of first disbursement of the loan inclusive of a ten-year grace period;

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- (d) the principal amount of the loan is repayable on each 15th day of February and 15th day of August of each year commensurate with —
- (i) one per cent (1%) of the loan amount, commencing on the 15th day of August, 2030 to, and including the 15th day of February, 2040,
 - (ii) two per cent (2%) of the loan amount, commencing on the 15th day of August, 2040 to, and including the 15th day of February, 2060.

Passed in the House of Assembly this 26th day of June, 2020.

ANDY G. DANIEL,
Speaker of the House of Assembly.

Passed in the Senate this 1st day of July, 2020.

JEANNINE GIRAUDY-MCINTYRE,
President of the Senate.