

**THE LOANS (AMENDMENT) BILL**  
**(No. IX Of 2004)**

Explanatory Memorandum

The object of this Bill is to amend the Loans Act to provide for -

- (a) the raising of loans by Treasury Notes; and
- (b) the conversion of Treasury Bills into Treasury Notes.

16 April 2004

P.K. JUGNAUTH  
Deputy Prime Minister and Minister of Finance  
and Economic Development

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ARRANGEMENT OF CLAUSES

*Clause*

- 1. Short title
- 2. Interpretation
- 3. Section 2 of principal Act amended
- 4. Section 24A added to principal Act
- 5. Part IVA added to principal Act
- 6. Section 26 of principal Act amended

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**A Bill**

**To amend the Loans Act**

ENACTED by the Parliament of Mauritius, as follow -

**1. Short title**

This Act may be cited as the Loans (Amendment) Act 2004

## **2. Interpretation**

In this Act -

“principal Act” means the Loans Act.

## **3. Section 2 of principal Act amended**

Section 2 of the principal Act is amended by inserting the following definition in its appropriate alphabetical order -

“Note” means a Treasury Note issued under section 24C;

## **4. Section 24A added to principal Act**

The principal Act is amended by inserting immediately after section 24, the following new section -

### **24A Conversion of Bills**

Notwithstanding sections 21 and 24C, the Minister may, on or before the redemption date and on such terms and conditions as he thinks fit, authorise the conversion of a Bill into a Note.

## **5. Part IVA added to principal Act**

The principal Act is amended by inserting immediately after Part IV, the following new Part -

### **PART IVA – ISSUE OF TREASURY NOTES**

#### **24B Power to borrow by the issue of Notes**

The Minister may raise loans by the issue of Treasury Notes.

#### **24C Issue of Notes**

- (1) Every Note shall -
  - (a) be issued by the Bank in such form and subject to such conditions as may be approved by the Minister;
  - (b) be in such multiples and currencies as may be determined by the Bank and approved by the Minister;
  - (c) be payable at par at the Bank; and
  - (d) specify the date of its maturity.

(2) A Note may be redeemed before the date of its maturity, on such terms and conditions as may be agreed.

**24D Price of Notes**

The price of Notes shall be fixed by the Minister, after consultation with the Bank.

**24E Proceeds to be paid into Consolidated Fund**

The proceeds of the issue of Notes shall be paid into the Consolidated Fund.

**24F Cancellation of Notes**

Every note shall, on redemption, be cancelled by the Bank on behalf of the Government.

**24G Conversion of Notes**

Notwithstanding section 24C, the Minister may, on or before the redemption date and on such terms and conditions as he thinks fit, authorise the conversion of a Note into another Note.

**6. Section 26 of principal Act amended**

Section 26 of the principal Act is amended by deleting the words “certificate or a Bill” and “certificate or Bill” wherever they appear, and replacing them by the words “certificate, Bill or Note”.