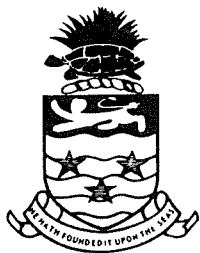


CAYMAN ISLANDS



Supplement No. 5 published with Gazette No. 26 of 1979.

**AGRICULTURAL  
AND INDUSTRIAL AID LAW, 1978  
AGRICULTURAL AND INDUSTRIAL AID  
(LOANS) BYE-LAWS, 1979**



**CAYMAN ISLANDS**

**AGRICULTURAL AND INDUSTRIAL AID LAW, 1978  
AGRICULTURAL AND INDUSTRIAL AID [LOANS] BYE-LAWS 1979**

In exercise of the power conferred upon the Agricultural and Industrial Development Board by Section 18 of the above Law and with the approval of the Governor in Council the following Bye-Laws are hereby made.

Citation.

1. These Bye-Laws may be cited as the Agricultural and Industrial Aid (Loans) Bye-Laws, 1979.

Interpretation.

2. In these Bye-Laws, unless the context otherwise requires –

“Bank” means the Caribbean Development Bank;

“Board” has the meaning ascribed to it in the Law;

“borrower” means a borrower from the Board;

“Law” means the Agricultural and Industrial Aid Law, 1978;

“long term loan” means a loan repayable within ten years from the date the loan is made;

“medium term loan” means a loan repayable within seven years from the date the loan is made;

“Net worth” means the value of a person’s aggregate assets including the assets of such person’s spouse unless their marriage is the subject of a separation order by a court of competent jurisdiction after deducting all liabilities;

“short term loan” means a loan repayable within two years from the date the loan is made;

“Specified Net Worth” means such sum of money as may be specified as the maximum amount of the net worth of any person for the purpose of eligibility of such person or any corporation for

any loan made by the Board to such person or corporation financed from a loan by the Bank to or for use by the Board;

Applications.  
Schedule.

3. Applications for loans shall be made in duplicate to the Secretary of the Board in the form prescribed in the Schedule giving the information therein required.

Applicants may  
be required to  
furnish additional  
information.

4. In addition to the information required to be divulged by Bye-Law 3, applicants may be required to furnish the Board with such additional information as the Board may require in any particular case.

Purpose for  
which loans  
are granted.

5. The Board may grant loans for any purpose which in its opinion is conducive to agricultural and industrial development in the Cayman Islands and the promotion of tourism including –

- (a) the clearing, development and improvement of land;
- (b) the erection of agricultural and industrial buildings and plant, factories, hotels, guests houses or restaurants;
- (c) the purchase and installation of machinery, equipment, processing and storage facilities;
- (d) the discharge of liabilities incurred in the improvement of land and buildings;
- (e) the provision of working capital in the initial stage of any project;
- (f) access and other roads;
- (g) irrigation and anti-erosion measures;
- (h) electricity and water supplies;
- (i) the purchase of dead or live stock;
- (j) the purchase of fishing boats and marine engines and equipment;
- (k) the development of handicrafts.

Security.

6. (1) A long term loan shall not be made except upon the security of a first charge on the land owned by the borrower. In addition the Board may require such further security as it considers necessary.

(2) The Board shall require as security for medium and short term loans one or more of the following:-

- (a) a charge on land;
- (b) the assignment of an insurance policy on the life of the borrower with the estate of the insured borrower named as beneficiary;
- (c) such other security as the Board may consider necessary.

7. (1) Where required by the Bank, the Board shall not make any loan financed from a loan from the Bank –

- (a) to a member of the Board or to a member of the Executive Council or the Legislative Assembly or a corporation controlled by any such member of the Board or the Executive Council or the Legislative Assembly or to their close relatives;
- (b) to any person who has a net worth in excess of the Specified Net Worth or any corporation, any one of whose members has a net worth in excess of the Specified Net Worth;
- (c) for the purchase of land or existing buildings;

- (d) for the purchase of equity or refinancing;
- (e) for the purpose of discharging any tax obligations; or
- (f) for working capital except where required for start-up operations or any other purpose which is excluded from financing by the Bank.

8. In addition to any special conditions attaching to a particular loan the Board shall require borrowers to undertake the following obligations as loan conditions: -

- (a) the payment of administrative expenses;
- (b) the provision of adequate security;
- (c) keeping the Board informed of all matters concerning the purposes of the loan;
- (d) the granting of a right of inspection to authorised representatives of the Board and where required, the Bank or other lending agency;
- (e) the carrying out of the purposes of the Loan with due diligence;
- (f) insuring and keeping insured with reputable insurers and to the full insurable value thereof the property financed from the loan and any security given;
- (g) maintaining accurate and full records and books of account;
- (h) the production of true invoices and certificates of work done;
- (i) confining the use of property obtained by means of the loan exclusively to the furtherance of the purposes of the loan; and
- (j) ensuring that all purchases made from the loan are of satisfactory quality and lowest available cost.

9. Should the borrower be in default of any obligation under the Loan Agreement the Board may suspend further disbursements or recall the loan or both.

10. Interest may be charged on loans made by the Board at such rate as may be determined by the Board having regard to its obligations under any loan agreement with the Bank with respect to the rate of interest to be charged on loans to borrowers.

**THE SCHEDULE  
 AGRICULTURAL AND INDUSTRIAL AID LAW  
 FORM AG 1  
 [SECTION 18]  
 BYE-LAW 3**

TO: The Secretary of the Board

DATE: .....

- 1. Name of applicant .....
- 2. Address of applicant .....
- 3. Brief description of present enterprise (including organisation structure) .....
- .....
- .....

4. Brief description of project to be financed:

.....  
.....  
.....

(a) relationship to present enterprise:

.....  
.....

(b) Managerial and technical ability to undertake the project  
(proposed management structure):

.....  
.....

(c) proposed commencement date:.....

(d) commitments to project (if any) e.g., government, contractors,  
suppliers, etc.:

.....  
.....

(e) market for product(s):.....

.....

5. Amount of loan: \$.....

6. Estimated capital required for project and expected source-of  
funds:

	Equity	Loan	Total
(i) to be contributed by applicant			
(ii) to be contributed by others (please specify)			
(iii) expected CDB contribution	_____	_____	_____
total estimate of required funds	_____	_____	_____

7. Suggested terms of loan(s) repayment:

.....  
.....

8. Security (collateral) offered: .....

.....  
.....

9. Has proposed financing been sought elsewhere?

Result? .....

10. The estimated capital required for the project will be employed as follows:

- (a) Land development cost \$
  - (b) Machinery, equipment and furniture \$
  - (c) Preliminary expenses \$
  - (d) Working Capital \$
  - (e) Other costs (detail) \$ \_\_\_\_\_
- \$ \_\_\_\_\_

11. Supporting documents:

(a) copy of last annual return to Registrar of Companies or information as follows:

- (i) Authorised Equity Capital \$ \_\_\_\_\_
  - (ii) Issued Equity Capital \_\_\_\_\_
  - (iii) Paid Up Equity Capital \_\_\_\_\_
  - (iv) Loan Capital (state whether secured or unsecured) \_\_\_\_\_
- Total of (iii) and (iv) \$ \_\_\_\_\_

Principal shareholders and officer of the enterprise:

Name	Position in company and/or occupation	Address	Shareholder
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(b) Financial statements, balance sheet, trading-manufacturing, profit and loss account and source and application of funds, statement for the last three years.

(c) List of all loans and overdrafts, if any, stating by whom given

and how secured.

- (d) Building plans and specifications, including reference to utilities.
- (e) Detailed list and sourcing of all machinery and equipment (with specifications) and raw materials to be purchased.
- (f) Statement of projected income and expenditure for the next three years, with explanations of calculations.
- (g) Copies of Certificate of Incorporation, Memorandum and Articles of Association, Partnership Agreement (where appropriate) and pertinent concessions (e.g., tax holiday, pioneer industry status, approved hotel status, duty free importation of equipment and raw materials, etc.).
- (h) References (including bank(s) auditors, solicitors etc.).

Name .....

Address .....

Name .....

Address .....

Name .....

Address .....

Made the 11th day of December, 1979.

Signed by:

**B.D. Lauer**  
Chairman

Witness: **D. Downer**

Approved by the Governor in Council, 4th December, 1979.

**Jenny Manderson**  
Clerk of the Executive Council

(Price 80 cents).