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AGRICULTURAL AND INDUSTRIAL AID LAW

(1996 Revision)

AGRICULTURAL AND INDUSTRIAL AID (LOANS) BYE-LAWS

(1996 Revision)

Revised under the authority of the Law Revision Law (19 of 1975).

The Agricultural and Industrial Aid (Loans) Bye-Laws, 1979 made the 11th December, 1979.

Consolidated with the -

Agricultural and Industrial Aid (Loans) (Amendment)
Bye-Laws, 1986 made the 3rd October, 1986.

Consolidated and revised this 2nd day of January, 1996.

AGRICULTURAL AND INDUSTRIAL AID (LOANS) BYE-LAWS

(1996 Revision)

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AGRICULTURAL AND INDUSTRIAL AID (LOANS) BYE-LAWS

(1996 Revision)

Citation	1. These bye-laws may be cited as the Agricultural and Industrial Aid (Loans) Bye-laws (1996 Revision).
Definitions	2. In these bye-laws- “Bank” means the Caribbean Development Bank; “borrower” means a borrower from the Board; “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; and “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	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 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, guesthouses 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, marine engines and equipment; and
- (k) the development of handicrafts.

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. Security

(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; and
- (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- Restrictions on loans

- (a) to a member of the Board, of the Executive Council or of the Legislative Assembly or a corporation controlled by any such member of the Board, Executive Council or 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.

Mandatory conditions

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.

Default 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.

Interest 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.

Non-application 11. These bye-laws do not apply to any loan made to assist a person to pursue a course of education approved by the Education Council.

SCHEDULE

APPLICATION FORM

FORM AG 1

AGRICULTURAL AND INDUSTRIAL AID LAW

(1996 Revision)

(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
(a) to be contributed by applicant			
(b) to be contributed by others (please specify)			
(c) 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)	\$	_____
Total	\$	_____

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 officers of the enterprise:

Name	Position in company and/or occupation	Address	Shareholder
-----	-----	-----	-----
-----	-----	-----	-----
-----	-----	-----	-----
-----	-----	-----	-----
-----	-----	-----	-----

(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 -----

Publication in consolidated and revised form authorised by the Governor in Council this 2nd day of January, 1996.

Mona N. Banks-Jackson
Clerk of Executive Council