

LAWS OF GUYANA

NATIONAL DEFENCE BONDS ACT

CHAPTER 78:01

Act

5 of 1977

Amended by

6 of 1997

**Current Authorised Pages**

<i>Pages (inclusive)</i>	<i>Authorised by L.R.O.</i>
1 - 13 ...	1/2012

**Index  
of  
Subsidiary Legislation**

	Page
<b>Defence Bonds Regulations</b> (Reg. 4/1977)	7

**CHAPTER 78:01**  
**NATIONAL DEFENCE BONDS ACT**

ARRANGEMENT OF SECTIONS

## SECTION

1. Short title.
2. Interpretation.
3. Authority to raise loans by the issue of bonds.
4. Issue to be a charge on the Consolidated Fund.
5. Management of the issue of bonds.
6. Terms and conditions of bonds.
7. Sinking fund.
8. Register of Bonds.
9. Transfer of Bonds.
10. Payment of Interest.
11. Interest to cease to accrue as from date appointed for payment.
12. Replacement of bonds defaced, destroyed or lost.
13. Exemption of payment of interest from capital gains and income tax.
14. Bonds on repayment to be of no effect.
15. Register to be *prima facie* evidence.
16. Certain enactments not to apply to the bonds
17. Power to make regulations.

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14 of 1965      **An Act to authorise the raising of money by the issue of  
Defence Bonds.**

[7<sup>TH</sup> APRIL, 1977]

Short title.                      **1. This Act may be cited as the National Defence  
Bonds Act.**

Interpretation.                **2. In this Act—**  
“bonds” means the National Defence Bonds authorised to be

issued pursuant to section 3.

Authority to raise money by the issue of bonds.

3. The Minister is hereby authorised to issue on behalf of the Government National Defence Bonds not exceeding the sum of thirty million dollars, or such greater amount as may, from time to time, be approved by resolution of the National Assembly.

Issue to be a charge on the Consolidated Fund.

4. The principal moneys and interest represented by such bonds and other charges connected therewith are hereby charged upon, and shall be payable out of, the Consolidated Fund.

Management of the issue of bonds.

5. The Bank of Guyana shall, as agent of the Government, be responsible for the management of the issue, registration and the repayment of bonds.

Terms and conditions of bonds.

6. Bonds shall be issued in such form and denominations, and upon such terms and conditions, as may be prescribed.

Sinking Fund.

7. (1) The Minister shall appropriate out of the Consolidated Fund in each half-year during the currency of the issue of bonds such amounts as are reasonably adequate for the formation of a sinking fund for the redemption of the bonds in accordance with this Act, and the first contribution to the sinking fund shall be made on the expiration of the period of two years after the date of issue.

(2) The Bank of Guyana shall be trustees of the sinking fund.

Register of Bonds.

8. Particulars of each bond, including the name and address of the holder thereof, shall before the issue thereof be recorded by the Bank of Guyana in a register to be kept for that purpose at the Bank.

Transfer of

9. Every bond shall be transferable by application in

bonds. writing to the Bank of Guyana and particulars of each transfer of ownership, including the name and address of each transferee, shall be recorded in the register kept pursuant to section 8.

Payment of interest. **10.** The interest upon the principal represented by each bond shall run from the date specified in the bond and shall be paid annually on the dates specified in that behalf in the bond by the Bank of Guyana to the person in whose name the bond is then registered.

Interest to cease to accrue as from date appointed for payment. **11.** No person shall be entitled to claim interest on any sum represented by a bond in respect of any period which has elapsed after the earliest date on which demand could lawfully have been made for the repayment of that sum.

Replacement of bonds defaced, destroyed or lost.  
[6 of 1997] **12.** (1) If any bond is by accident defaced, the Minister may, on payment of the fee to be determined by the Minister, cause a new bond to be issued and delivered to the registered holder and the defaced bond to be cancelled; the new bond shall bear the same interest and be subject to the same terms and conditions as the original bond.

(2) The Minister, on proof to his satisfaction that any bond has by accident been destroyed or lost before it is redeemed, may, if the number and amount of the bond is ascertained, on payment of a fee to be determined by the Minister, authorise the issue of a new bond corresponding in all respects with the bond so destroyed or lost.

(3) Upon the issue of a new bond under subsection (2) in lieu of a bond alleged to have been destroyed or lost, the latter shall be deemed to be void and of no effect and any person in possession thereof shall forthwith submit it to the Bank of Guyana for concealment.

(4) Any person who fails to comply with

subsection (3) shall on summary conviction be liable to a fine of sixty-five thousand dollars and to imprisonment for six months.

Exemption of payment of interest from capital gains tax and income tax.

**13.** The interest payable on a bond shall be exempt from capital gains tax and income tax.

Bonds on repayment to be of no effect.

**14.** Upon the repayment of the principal moneys represented by any bond, such bond shall be deemed for all purposes to be void and of no effect.

Register to be prima facie evidence.

**15.** The entries in the register kept under the provisions of this Act shall be prima facie evidence of the facts, matters, particulars and transactions to which the entries relate:

Provided that notwithstanding the provisions of any other Act, a copy of any entry in the register certified in writing by the Governor or Deputy Governor of the Bank of Guyana to be a true copy of the original entry shall be receivable in evidence in any judicial proceeding.

Certain enactments not to apply to the bonds.  
c. 74:01  
c. 74:04

**16.** The General Loan and Stock Act and the General Local Loans Act shall not apply to the bonds.

Power to make regulations.  
c. 98:01

**17.** The Minister may make regulations for the carrying out of the purposes of this Act, and anything in the Labour Act to the contrary notwithstanding, any such regulations may include provision enabling bonds to be purchases by an employee by way of deductions from the wages of the employee by his employer with their agreement.

[Subsidiary]

*National Defence Bonds Regulations*

Reg. 4/1977

**NATIONAL DEFENCE BONDS  
REGULATIONS***made under section 17*

Citation.

1. These Regulations may be cited as the National Defence Bonds Regulations.

2. In these Regulations –

“card” means such card as approved by the Minister for use in the purchase of bonds by means of stamps;

“stamps” means adhesive Defence Bonds stamps referred to in regulation 7 and the expression “stamped card” means a card to which stamps have been affixed;

“deduction order” means such document as may have been approved by the Minister for the purpose of enabling an employee and his employer to signify their agreement to have sums deducted from wages of the employee;

“form of request” means such document as may have been approved by the Minister for an intended purchaser of bonds to complete and submit when payment to the face value of the bonds sought to be purchased by him is being made.

3. Bonds shall be of the denominations of \$10, \$20, \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$50,000.

4. (1) Subject to the provisions of the Act and of these Regulations the form and conditions of the bonds shall be as

set out in the Schedule.

(2) Each bond shall on the face thereof –

- (a) bear the facsimile signature of the Minister;
- (b) have a serial number;
- (c) have provision for the officer, duly authorized by the Bank of Guyana to record the issuing of the bond, to affix his signature at that time;
- (d) have provision for the stamp of the Bank of Guyana to be impressed thereon.

5. (1) Bonds may be purchased –

- (a) by the payment of a sum equivalent to the face value of the bonds;
- (b) by payments on account of the purchase price, equivalent to the face value of the bonds, by means of stamps affixed to cards supplied for that purpose upon application to any post office; or
- (c) by payments on account of the purchase price effected by way of deductions made from the wages of an employee pursuant to a deduction order.

(2) When purchasing bonds in accordance with –

(a) paragraph (1)(a), the purchaser shall at the time of tendering the sum in payment submit a duly completed form of request;

(b) paragraph (1)(b), the purchaser shall at the



[Subsidiary]

National Defence Bonds Regulations

time of submitting his card in exchange for bonds submit a duly completed form of request; and

- (c) paragraph (1)(c), there shall be forwarded together with that amount which the employee intends to be the final instalment payment to effect the issue to him of bonds to the value deducted from his wages, a duly completed form of request.

6. The effective dates of issue of a bond shall be –

- (a) the first day of the month in which a bond has been purchased in accordance with regulation 5(1)(a);
- (b) the first day of the month in which a duly stamped card is presented in exchange for a bond to the value of the stamps affixed on the card;
- (c) in respect of a bond purchased in accordance with regulation 5(1)(c), the 1<sup>st</sup> December, 1977 or such other date as may be approved by the Minister, notice whereof shall be published in the *Gazette*.

7. (1) Stamps shall be denominations of \$1 and \$5 and be of such design and form as may be approved by the Minister.

(2) For the purpose of effecting the purchase of bonds, in accordance with regulation 5(1)(b) stamps of one denomination shall be affixed to the spaces indicated for that purpose on the appropriate card and which when filled shall be submitted in exchange for bonds to such authority as is designated for the purpose by the Bank of Guyana by notice

published in the *Gazette*.

(3) Persons purchasing bonds in accordance with regulations 5(1)(b) shall submit all duly stamped cards in their possession to an authority referred to in paragraph (2) by not later than 31<sup>st</sup> December, 1977, or such other date approved by the Minister, notice whereof shall be published in the *Gazette*.

8. (1) Where an employee and employer executes between them a deduction order for the purpose of effecting the purchase of bonds by the employee in accordance with regulation 5(1)(C) the person authorised to make the deductions shall –

- (a) remit the sums deducted in each month to the Accountant General not later than fourteen days after the end of the month in which the deductions were made; and
- (b) keep a record of each deduction, the amounts remitted the date of such remission and any receipt issued therefor by the Accountant General.

(2) Upon receipt by the Accountant General of the sums remitted to him he shall issue to the person forwarding such sums a receipt therefor which shall to the extent of the amount referred to therein be a good and sufficient discharge of the liability of the employer or such person for any amount deducted.

(3) If any person shall fail to comply with the regulation 8(1)(a) he shall on summary conviction be liable to a fine not exceeding three hundred dollars and where the offence consists of continuing any such failure after conviction thereof, a further sum of thirty dollars for each day on which it is so continued.

[Subsidiary]

National Defence Bonds Regulations

(4) Where an employee works under the general control and management of a person who is not his immediate employer, that person shall be deemed for the purpose of paragraph (1) to be the person authorized to make the deductions.

9. (1) Bonds shall be redeemable after the expiration after the expiration of ten years from the date of issue upon presentation and surrender of the bonds at the Bank of Guyana by the registered holder or his duly authorised agent.

(2) A registered holder of a bond or his duly authorized agent shall comply with such requirements as to identity as may be required of him by the person effecting payment of any sum due under the bond.

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SCHEDULE

Bond No.

GUYANA GOVERNMENT

National Defence Bond

Three and one half percent. Fixed –Date Bond

ISSUE OF \$30,000. 00

AUTHORIZED BY THE NATIONAL DEFENCE BONDS

ACT, CAP 78:01

\$

UNDER THE AUTHORITY of the National Defence Bonds Act, Cap. 78:01, the GOVERNMENT OF GUYANA binds itself to pay the holder hereof last registered in the books at the Bank of Guyana, the sum of

.....Dollars for value received. The GOVERNMENT OF GUYANA, also binds itself to pay interest thereon at the rate of three and one half per centum per annum from the Date of Issue of this bond, until maturity date. The principal and interest are payable in Georgetown at the Bank of Guyana.

2. Interest earned for 1977 is payable on 31<sup>st</sup> December, 1977, and thereafter annually on the 31st December in each and every year until the year of redemption when interest will be computed to the maturity date. Payment shall be made by crossed cheque forwarded by registered post at the risk of the bonded-holder last registered in the books at the Bank of Guyana, either to him or to any other person, bank or firm named by him within Guyana. Interest payable will be exempted from local income tax.

3. The principal moneys and interest represented by this bond, are charged upon, and shall be payable out of the Consolidated Fund, and a sinking fund is being provided for the redemption of the said bond.

4. This bond is issued for a term of TEN YEARS from the 1<sup>st</sup> day of .....1977.

5. This bond is transferable only by instrument of transfer in the books at the Bank of Guyana, GEORGETOWN, Guyana.

GIVEN under my hand at GEORGETOWN, Guyana, this 1<sup>st</sup> day of .....1977.

RECORDED

.....  
Recording Officer

On behalf of the Government of Guyana.

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[Subsidiary]

*National Defence Bonds Regulations*

Impressed stamp  
Of Bank of Guyana.