

Zambia

Central African Power Corporation (Financial Provisions) Act, 1963 Chapter 374

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Central African Power Corporation (Financial Provisions) Act, 1963

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Zambia

Central African Power Corporation (Financial Provisions) Act, 1963

Chapter 374

Commenced on 20 December 1963

[This is the version of this document at 31 December 1996.]

[64 of 1963; Government Notices 438 of 1963; 301 of 1964; Statutory Instrument 157 of 1965]

An Act to empower the Government to enter into agreements guaranteeing the repayment by the Central African Power Corporation of certain sums; to empower the Permanent Secretary, Ministry of Finance, to assume liability for certain loan indebtedness; and to make provision in relation to the discharge of liabilities under certain agreements.

1. Short title

This Act may be cited as the Central African Power Corporation (Financial Provisions) Act.

2. Government may guarantee liability of Corporation

- (1) The Government may by a representative in each case authorised for the purpose by the President enter into agreements with the persons mentioned in the first column of the First Schedule whereby the Government shall unconditionally guarantee as primary obligor and not as surety merely the due and punctual payment by the Corporation of one-half of any financial obligations to such persons assumed or to be assumed by the Corporation from the Federal Power Board in respect of the loan agreements mentioned in the second column of the said Schedule.
- (2) Any agreement entered into with the International Bank for Reconstruction and Development under the provisions of subsection (1) may include a clause substantially in the form set out in the Second Schedule and on the effectiveness of such agreement such clause shall have full force and effect in Zambia.
- (3) Nothing in this section shall be deemed to prohibit the inclusion of or to render invalid any other provisions in any agreements entered into under the provisions of subsection (1).
- (4) In this section, "Corporation" means the Central African Power Corporation constituted by section 36 of the Federation of Rhodesia and Nyasaland (Dissolution) Order in Council, 1963.

[App. 1]

[As amended by G.N. No. 438 of 1963 and S.I. No. 157 of 1965]

3. Assumption of loan indebtedness

- (1) The Permanent Secretary, Ministry of Finance, may on behalf of the Government assume towards the persons mentioned in the first column of the Third Schedule the loan indebtedness mentioned in the second column of the said Schedule. Any loan indebtedness so assumed shall be a charge on the general revenues and assets of the Republic.
- (2) Where any agreement made in pursuance of the provisions of subsection (1) provides for the issue of securities in the form of bonds, such bonds may be issued under the provisions of the Local Loans

(Registered Stock and Securities) Act as though they were being issued to raise a loan of the amount represented by the loan indebtedness to which the agreement relates.

[Cap. 353]

[As amended by S.I. No. 157 of 1965]

4. Discharge of liabilities under agreements

- (1) If at any time any payment by the Government becomes due under the provisions of any agreement entered into under the provisions of subsection (1) of section two, or if at any time the Minister certifies that in his opinion any payment should be made by the Government in order to ensure the due and punctual payment of any obligation guaranteed by the Government under any such agreement, the payment so due by the Government, or the payment so certified by the Minister, as the case may be, shall be made from the general revenues of the Republic which are hereby appropriated for the purpose.
- (2) The payment of interest, the repayment of capital and any payments into sinking funds provided for in any agreement made in pursuance of the provisions of subsection (1) of section three shall be made from the general revenues of the Republic which are hereby appropriated for the purpose.

[As amended by S.I. No. 157 of 1965]

First Schedule (Section 2)**Loan Agreements**

	Person		Agreement
1.	The International Bank for Reconstruction and Development.	1.	Agreement dated 21st June, 1956, between the International Bank for Reconstruction and Development and the Federal Power Board for the loan of an amount in various currencies equivalent to eighty million dollars.
2.	The Commonwealth Development Corporation.	2.	Agreement dated 12th July, 1956, between the Commonwealth Development Corporation, the Federal Power Board and the Government of the Federation of Rhodesia and Nyasaland for the loan of fifteen million pounds sterling.
3.	The Commonwealth Development Finance Company Limited.	3.	Agreement dated 12th July, 1956, between the Commonwealth Development Finance Company Limited, the Federal Power Board and the Federation of Rhodesia and Nyasaland for the loan of three million pounds sterling.

Second Schedule (Section 2)**Clause in Agreement with the International Bank for Reconstruction and Development**

Section 3.01. It is the mutual intention of the Government and the Bank that no external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end the Government undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Republic as security for any external debt, such lien shall *ipso facto* equally and rateably secure the payment of one-half of the principal of, and one-half of the interest and other charges on, the Loan and the Bonds, and that in the creation of any

such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term "assets of the Republic" as used in this section includes assets of the Republic or of any of its political subdivisions or of any agency of the Republic or of any such political subdivision, including its share of the assets of the Bank of Rhodesia and Nyasaland or of any successor agency fulfilling similar functions in the Republic.

The term "lien" shall include mortgages, pledges, charges, privileges and priorities of any kind.

[As amended by S.I. No. 157 of 1965]

Third Schedule (Section 3)

Loan indebtedness

	Person	Loan indebtedness (in local currency) K
1.	Barclays Bank D.C. and O.	2,000,000
2.	Indaba Investments	4,000,000
3.	Mufulira Copper Mines Limited	4,412,000
4.	Nchanga Consolidated Copper Mines Limited	6,759,000
5.	Roan Selection Trust Limited	3,401,000
6.	Rhokana Corporation Limited	3,522,000
7.	Standard Bank Limited	2,000,000