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## CHAPTER 362

### BAHAMAS REGISTERED STOCK

**An Act to make provision for the creation and issue of registered stock for the purpose of raising loans in The Bahamas.** *10 of 1973*  
*3 of 1974*

*[Assent 28th June, 1973]*  
*[Commencement 29th June, 1973]*

#### PART I PRELIMINARY

1. This Act may be cited as the The Bahamas Registered Stock Act. Short title.
2. In this Act, unless the context otherwise requires — Interpretation.
  - “Bank” means the Central Bank of The Bahamas as referred to in section 3 of the Central Bank of The Bahamas Act; *3 of 1974, Second Sch. Ch. 351.*
  - “foreign currency” means any currency other than the currency of The Bahamas;
  - “Government” means the Government of The Bahamas;
  - “Minister” means the Minister of Finance;
  - “prescribed” means prescribed by regulations made under this Act;
  - “registered stock” or “stock” means stock of The Bahamas issued under the provisions of this Act;
  - “register” means the register of each issue of stock kept under the provisions of section 10;
  - “Registrar” means the Registrar appointed by virtue of section 8;
  - “stockholder” means a person holding registered stock who is entered as owner thereof in the register.
3. This Act shall be applicable only to loans raised in The Bahamas. Act applicable to loans raised in The Bahamas.

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**PART II**  
**POWER TO RAISE LOANS**

Issue of registered stock for the purpose of raising authorised loans.

**4.** (1) Whenever by any Act or a resolution of the House of Assembly, authority is given to the Minister to raise any sum of money by way of loan for any purpose mentioned in that Act or resolution, or whenever it is necessary to raise any sum of money for the purpose of repaying any loan raised by the Government under this or any other Act or a resolution of the House of Assembly, the Minister may, from time to time, raise such sum or any part thereof under the provisions of this Act by the creation and issue of registered stock.

(2) Each issue of registered stock made under this Act for the purpose of raising any specified sum of money shall be deemed to be stock issued in respect of a separate loan notwithstanding that the sum of money so raised is part only of a sum of money authorised by any other Act or a resolution of the House of Assembly to be raised by way of a loan.

Stock to be charged upon Consolidated Fund.

**5.** The principal moneys and interest represented or secured by any registered stock issued under this Act are hereby charged upon and shall be payable out of the Consolidated Fund, and assets of The Bahamas.

Minister to give directions as to name of stock and other matters.

**6.** (1) The Minister shall, in respect of each issue of stock to be raised under this Act, specify by directions published in the *Gazette* —

- (a) the name of the stock;
- (b) the amount of stock to be issued;
- (c) the denominations of the stock;
- (d) the rate of interest payable on the stock;
- (e) the dates in each year on which the half-yearly interest on the stock shall be payable;
- (f) whether there shall be a sinking fund for the redemption of the stock;
- (g) whether all or part of the amount of the stock to be issued may be in foreign currency;
- (h) the rate at which a half-yearly payment out of the Consolidated Fund shall be made as a contribution to the sinking fund, if any, established for the purpose of redeeming that stock and the date from which such contributions shall commence;
- (i) the date of redemption of the stock;

(2) The date of redemption of any stock shall not be later than sixty years from the date of issue of such stock.

(3) Where the Minister deems it expedient to reserve an option to redeem any stock at any date earlier than the date of redemption specified for such stock by the directions under subsection (1), he shall by such directions further specify the terms and conditions on which such stock may be redeemed at any earlier date.

(4) Where the Minister specifies by directions under subsection (1) that all or part of the amount of the stock to be issued shall be in foreign currency, the provisions of the Exchange Control Regulations Act and of any Finance Regulations made thereunder shall not have effect in relation to the stock or part thereof, as the case may be, issued under this Act in foreign currency.

Ch. 360.

7. Upon the publication under section 6 of the directions of the Minister in respect of any stock to be raised under this Act or a resolution of the House of Assembly, the Treasurer may, subject to the provisions of such directions and to such further directions as the Minister may give in that behalf, make all such arrangements with the Bank as may be necessary to raise that stock upon the most favourable terms that can be obtained.

Treasurer to make necessary arrangements.

### PART III THE REGISTRAR

8. The Bank shall be the Registrar of each issue of Stock.

The Registrar.  
*3 of 1974, Second Sch.*

9. (1) The Registrar may, with the approval of the Minister, delegate any person to exercise such of the powers or perform such of the duties conferred or imposed on the Registrar by this Act as may be specified by instrument in writing under the seal of the Registrar, and thereupon the person delegated shall have and may exercise such powers and perform such duties.

Delegation by Registrar.

(2) The delegation by the Registrar under subsection (1) —

(a) shall not preclude the Registrar from exercising or performing at any time any of the powers or duties so delegated;

- (b) may be conditional, qualified or limited in such manner as the Registrar may think fit; and
- (c) may be amended at any time by the Registrar.

Register of stock. **10.** The Registrar shall keep a register of each issue of registered stock under this Act in which all such stock and all transfers of and all dealings in such stock shall be registered and in which shall be entered all matters and things which by this Act are required to be entered in the register.

Matters to be registered. **11.** A copy of the documents containing the authority for and the conditions of each issue of registered stock shall be lodged with the Registrar by the Treasurer.

#### **PART IV REGISTERED STOCK**

Stockholder. **12.** For the purposes of this Act, no person shall be entitled to any registered stock unless he is registered as a stockholder in respect thereof.

Registration of ordinary stockholders. **13.** No person shall be registered as the original holder of any registered stock except upon payment in full of the purchase price of his holding in that stock.

Stock certificate. **14.** (1) Subject to the provisions of subsection (2), the Registrar shall issue to every stockholder a stock certificate in the prescribed form.

(2) Where stock is held by two or more persons jointly they shall nominate in the prescribed form the person to whom the stock certificate shall be issued.

Transfer of registered stock. **15.** For the purposes of this Act the title of any stockholder to any registered stock shall not be deemed to be transferred to any other person save upon the execution of such instrument of transfer as may be prescribed and upon the registration of the transferee as the stockholder under section 16.

Registration of transfer of stock. **16.** (1) The Registrar shall not register a transfer of stock until he has received the instrument of transfer in the prescribed form and the stock certificate or certificates relating to that stock.

(2) Notwithstanding anything contained in subsection (1) the Registrar may, subject to such conditions as may be prescribed, register the transfer of stock where it is proved to his satisfaction that the stock certificate or certificates relating to that stock have been lost or destroyed.

17. The register shall be closed for a period not exceeding twenty-eight days immediately preceding each date upon which interest on that stock falls due and interest shall be paid on the due date to every stock-holder whose name appears in the register at the close of business on the date preceding the commencement of that period.

Closing of register.

18. The entries in the register kept under the provisions of this Act shall be conclusive evidence of the facts, matters, particulars, and transactions to which those entries relate:

Register to be conclusive evidence of facts entered therein.

Provided that, notwithstanding the provisions of any other Act, a copy of any entry in the register certified in writing by or on behalf of the Registrar to be a true copy of the original entry shall be receivable in evidence in any judicial proceedings unless a judge of the Supreme Court shall otherwise direct.

19. The Government shall be bound to pay to the person registered for the time being as the stockholder the principal sum represented by that stock and the interest due thereon, in accordance with the provisions of this Act, at the rate and on the dates directed by the Minister under section 6 or in pursuance of an option to redeem such stock reserved in such directions.

Liability of Government in respect of issue of stock.

## PART V PAYMENT OF INTEREST ON STOCK

20. So long as any interest is payable under this Act in respect of any stock, the Minister shall, in each half year ending with the date on which the interest on such stock falls due, appropriate out of the Consolidated Fund, a sum sufficient to meet all interest payable on that date and shall authorise the Treasurer to pay to the Registrar such sums for the payment of that interest out of the sum so appropriated.

Appropriation out of Consolidated Fund for payment of interest.

Payment of interest.

**21.** (1) The interest due on any registered stock shall be payable half yearly on the dates specified by the directions of the Minister under section 6.

(2) Where any amount has become payable on any date as interest on any registered stock, no interest on that amount shall, after that date, be paid or payable by the Government to any person in any circumstances.

No interest payable on stock after date of redemption.

**22.** No person shall be entitled to claim interest on any registered stock in respect of any period which has elapsed after the earliest date on which demand could lawfully have been made for the repayment of the principal amount due on such stock.

Payments.

**23.** All payments of interest and all repayments of the principal amount due on any registered stocks shall be made by the Registrar in Nassau:

Provided that the Registrar or any person authorised by the Registrar in that behalf may pay any such interest or principal amount at any other place within The Bahamas, in pursuance of any arrangement which the Registrar may make for that purpose.

## PART VI

### SINKING FUNDS AND REPAYMENT OF LOANS

Establishment of sinking fund.

**24.** If by directions under subsection (1) of section 6 the Minister has specified that there shall be a sinking fund for the purpose of redeeming an issue of stock made under this Act, the Minister shall establish a sinking fund for that purpose with effect from the date specified under such directions as the date from which contributions to the sinking fund for that issue of stock shall commence.

Payments into sinking fund.

**25.** The Minister shall in each half-year appropriate out of the Consolidated Fund and cause to be paid into each sinking fund established under section 24, a sum determined in accordance with the rate specified by directions under subsection (1) of section 6.

Trustees for sinking fund.  
*3 of 1974, Second Sch.*

**26.** The Governor of the Bank and a director of the Bank nominated by the Minister shall be the trustees of any sinking fund established under section 24.



**27.** The trustees of a sinking fund established under section 24 shall hold all moneys received by them or on their behalf under this Act and the investments for the time being representing those moneys in trust to apply them in redeeming the loan for which the sinking fund was established.

Trustees to hold sinking funds and other moneys in trust for redemption.

**28.** (1) All moneys paid into a sinking fund established under section 24 may be invested in deposits at interest or invested in such stock or in such other securities or classes of securities as the trustee may, with the approval of the Minister, decide.

Investment of sinking fund.

(2) Subject to the approval of the Minister, the trustees may from time to time, vary any investments made under subsection (1) or may realise, place at interest or reinvest any moneys invested under that subsection.

(3) The dividends, interest, bonus and other profits of any investment of any part of any sinking fund shall, subject to the approval of the Minister, be placed at interest or invested by the trustees so as to form part of that sinking fund in like manner as moneys paid under section 25 as contributions to that sinking fund.

(4) The trustees may, at any time or times utilise the sinking fund, or the money appropriated under section 25, for the purchase of the stock for the redemption of which the sinking fund was established.

(5) The trustees shall not invest any moneys contained in a sinking fund —

- (a) by way of deposit at interest; or
- (b) in any stock or securities,

the date for the repayment or redemption of which is later than the date specified by directions under subsection (1) of section 6 for the redemption of the stock for which the sinking fund was established.

**29.** Notwithstanding anything to the contrary contained in this Act, if at any time the trustees are satisfied in relation to any stock issued under the provisions of this Act for the redemption of which a sinking fund was established under section 24, that such sinking fund will be sufficient with further accumulations of interest, but without further payments under section 25, to enable the stock to be redeemed, at the time fixed for its redemption,

Cessation of contributions to sinking fund.

they shall inform the Minister accordingly and the Minister is hereby authorised in such event to suspend further half-yearly payments into that sinking fund:

Provided that the payments to that sinking fund shall be recommenced if the trustees at any time there-after inform the Minister that they are no longer satisfied that the sinking fund with further accumulations of interest will be sufficient for the redemption of that stock.

Redemption of  
stock.

**30.** (1) If —

- (a) a sinking fund has been established under section 24 for the redemption of an issue of stock raised under this Act; and
- (b) at the date fixed for the redemption of that issue of stock, such sinking fund is insufficient for such redemption,

the Minister shall appropriate out of the Consolidated Fund and pay to the Registrar a sum equivalent to the deficiency for the purpose of redeeming that issue of stock.

(2) If a sinking fund has not been established under section 24 for the redemption of an issue of stock raised under this Act, the Minister shall —

- (a) at the date of redemption; or
- (b) if an option has been reserved under subsection (3) of section 6 to redeem the stock earlier than the date of redemption, at any earlier date determined by the Minister,

appropriate out of the Consolidated Fund and pay to the Registrar such sum as is required to redeem that stock.

## PART VII CONVERSIONS OF LOANS, ETC., INTO STOCK

Power of  
Minister to  
authorise  
conversion of  
loans generally.

**31.** (1) The Minister may —

- (a) from time to time declare that any debentures, loans or other securities of the Government issued under any Act for the time being in force, are convertible, at the option of the holders thereof, into registered stock on such terms as he may from time to time determine;

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- (b) authorise the creation and issue under this Act of registered stock —
- (i) in exchange for debentures issued under any Act for the time being in force; or
  - (ii) in order to raise money for the redemption of any outstanding loans, whether issued before or after the coming into operation of this Act.

(2) Any conversion authorised under this section may be effected either by arrangement with the holders of existing securities or by the purchase thereof out of moneys raised by the sale of registered stock, or partly in one way and partly in the other.

**32.** Where debentures, loan or other securities are exchanged for any registered stock issued under any Act for the time being in force, the obligation imposed under such Act to set aside sums of money, in respect of such debentures, shall cease, and such debentures, loans or other securities on being cancelled under the provisions of section 33, shall be regarded for all the purposes of such Act as if they had never been issued.

Exchange of debentures for stock.

**33.** Every debenture, loan or security exchanged or otherwise converted into registered stock shall be forthwith cancelled by the Registrar and forwarded to the Treasurer.

Cancellation of converted debentures.

### **PART VIII**

#### **ISSUE OF DUPLICATES OF STOCK CERTIFICATES, EXCHANGE AND CONSOLIDATION**

**34.** The Registrar may issue duplicate stock certificates in such circumstances as may be prescribed.

Issue of duplicates.

**35.** Subject to such conditions as may be prescribed, the Registrar may on the request in writing of —

Consolidation and subdivision of stock.

- (a) a stockholder; or
- (b) in the case of joint stockholders, of all the surviving stockholders,

and on the surrender of the stock certificate or certificates relating to such stock, consolidate or subdivide such stock and issue to the stockholder or stockholders a new stock certificate or certificates as may be required.

Indemnity bonds.

**36.** Where application is made to the Registrar under this Act for the issue of a duplicate stock certificate or for the exchange, consolidation or subdivision of any stock, the Registrar may require the applicant, as a condition precedent to the grant of the application, to execute a bond with or without sureties undertaking to indemnify the Government and the Registrar against the claims of all persons claiming under the original stock certificates or under the stock so exchanged, consolidated or subdivided, as the case may be.

Summary  
procedure special  
cases.

**37.** (1) If, within six months of the death of a person who was entitled to registered stock the nominal or face value of which does not in the aggregate exceed one thousand dollars, either probate or the will or letters of administration of the estate of such person or copies of such probate or letters certified by a justice of the peace, commissioner for oaths or notary public to be true copies are not produced to the Registrar, the Attorney-General at the request of the Registrar, shall after such inquiry as the Attorney-General may deem necessary, determine who is the person entitled to such stock or to administer the estate of the deceased and thereupon the Registrar may —

- (a) where any such stock relates to a loan due for repayment, authorise the registration of the name of such person in substitution for the name of the deceased in the register and the payment to such person of the amount due in respect of that stock;
- (b) where any stock relates to a loan not due for repayment, authorise the registration of the name of such person in substitution for the name of the deceased.

(2) Any creditor or claimant against the estate of the deceased may recover his debt or claim out of money paid to any person under subsection (1) and remaining in his hands unadministered in the same manner and to the same extent as if the said person had obtained letters of administration of the estate of the deceased, and nothing in this section shall affect any claim of an executor or administrator or other representative of the deceased against such person other than a claim to recover amounts lawfully paid by him in due course of administration of the estate of the deceased.

(3) The Attorney-General may, for the purpose of an inquiry under this section, summon before him, administer an oath to, and examine on oath any person.

(4) Every examination on oath conducted by the Attorney-General in accordance with the powers conferred by subsection (3) shall be deemed to be a judicial proceeding within the meaning of subsection (4) of section 423 of the Penal Code.

Ch. 84.

(5) The Attorney-General may authorise generally or in any particular case, a legally qualified officer in his Department to exercise and perform on his behalf the powers and functions conferred or imposed on him by this section.

## PART IX MISCELLANEOUS

**38.** There shall be printed, stamped, engraved or impressed by any mechanical process on every stock certificate the signature of a person duly authorised by the Registrar to sign such certificate, and a signature so printed, stamped, engraved or impressed shall be as valid as if it had been inscribed in the proper handwriting of the person so authorised.

Signature of person authorised to sign stock certificate may be printed.

**39.** Save as otherwise provided in or under this Act, no notice of any trust in respect of any registered stock shall be receivable by the Registrar or by the Government.

Notice of trust not receivable save as provided.

**40.** All documents or instruments made or used under the provisions of this Act shall be in such form as may be prescribed.

Documents to be in prescribed form.

**41.** There shall be charged on and paid out of the Consolidated Fund —

Payments of expenses incurred under this Act.

- (a) all expenses of and incidental to
  - (i) any issue of Registered Stock;
  - (ii) the payment of interest thereon;
  - (iii) the repayment of the principal moneys; and
- (b) all other moneys required and expenses incurred in carrying out the provisions and objects of this Act.

Payment of fees.

**42.** All fees payable under this Act or under any regulations made thereunder shall be payable into the Consolidated Fund.

Payment of unclaimed moneys into Consolidated Fund.

**43.** (1) Where —

- (a) the principal amount of any registered stock; or
- (b) the dividend or interest on any registered stock,

is due for repayment or payment, as the case may be, and such principal amount, dividend or interest is not claimed by a stockholder within two years from the date on which that sum became due for repayment or payment, the sum so unclaimed shall be paid into the Consolidated Fund.

(2) Notwithstanding the payment of any sum into the Consolidated Fund under subsection (1), where any person shows his right thereto to the satisfaction of the Registrar and the Registrar so certifies in writing under seal, then such sum may be paid from the Consolidated Fund without further appropriation than that provided by this subsection.

(3) Where the principal amount of any registered stock due for redemption is transferred to the Consolidated Fund under subsection (1), the Registrar shall within twelve months after such transfer publish a notice in the *Gazette* showing the name of the holder of such registered stock and the amount so transferred.

Inspection of register and documents.

**44.** (1) No person shall be entitled to inspect, or to receive information derived from, any registered stock in the possession of the Registrar or any register, book or other document kept or maintained by or on behalf of the Registrar in relation to registered stock or securities, save —

- (a) in such circumstances and on such terms and conditions; and
- (b) on payment of such fee,

as may be prescribed.

(2) Nothing in this section shall apply to the Auditor for The Bahamas.

Regulations.

**45.** (1) The Minister may make regulations for carrying out the purposes of this Act and, without prejudice to the generality of the foregoing, such regulations may provide for all or any of the following matters —

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- (a) the manner in which payment of interest in respect of stock is to be made and acknowledged;
  - (b) the issue of duplicate stock certificates;
  - (c) the manner of payment of interest to joint holders of stock;
  - (d) the exemption of the Government, the Registrar and any person acting under the authority of the Registrar, from liability in respect of any payment duly made or act duly done in accordance with this Act or any regulations made under this Act;
  - (e) the circumstances in which alterations may be made in the register;
  - (f) the payment of principal or interest and transfer of stock in the case of persons under a legal disability;
  - (g) the disposal of unclaimed interest;
  - (h) the conditions subject to which stock may be exchanged, consolidated or subdivided;
  - (i) to enable holders of registered stock to be described in the register as trustees and either as trustees of any particular trust or as trustees without qualification and for the recognition of powers of attorney granted by holders of stock so described;
  - (j) the fees to be paid in respect of anything to be issued or done under the provisions of this Act;
  - (k) all matters required or permitted by this Act to be prescribed and all matters incidental to or connected with the matters hereinbefore enumerated.

(2) Nothing in any regulation made hereunder, shall, as between any trustees or as between any trustees and beneficiaries under a trust, be deemed to authorise the trustees to act otherwise than in accordance with the rules of law applying to the trust and the terms of the instrument constituting the trust; and neither the Government nor the Registrar nor any person holding or acquiring any interest in any registered stock shall by reason of any entry in the register of stock of anything in any document or instrument relating to registered stock, be affected with notice of any fiduciary obligation attaching to the holding of any registered stock.

Saving.  
Ch. 383.

**46.** Nothing in this Act contained shall affect the provisions of the General Loan and Stock Act.