

REPUBLIC OF KIRIBATI
(No. 9 of 1996)

I assent

Beretitenti
Assented: 1st January 1996

**AN ACT TO AMEND GOVERNMENT BORROWING AND GUARANTEE
ORDINANCE (CAP. 39)**

Commencement:
1996

MADE by the Maneaba ni Maungatabu and assented to by the Beretitenti.

Short Title

1. This Act may be cited as the Government Borrowing and Guarantee (Amendment) Act 1996.

Add new Section 5

2. The Government Borrowing and Guarantee Ordinance (Cap 39) is amended by adding a new section 5 after section 4 as follows:-

“Guarantee under \$500,000

5. Where –

- (a) the Government enters into a guarantee arrangement in exercise of its powers under section 4 of this Ordinance; and
- (b) the amount guaranteed is less than \$500,000;

such guarantee may be signed on behalf of the Government by the Minister of Finance, acting in accordance with the advice of the Cabinet.”

GOVERNMENT BORROWING AND GUARANTEE (AMENDMENT) ACT 1996

Explanatory Memorandum

1. The principal object of this Act is to empower the Minister of Finance apart from the Beretitenti to sign a guarantee instrument which may be required to be signed whenever the Government guarantees a loan pursuant to its powers conferred upon it by the Government Borrowing and Guarantee Ordinance (Cap 39).
2. The Minister however is empowered to sign such instrument only if the amount of guarantee for such loan is less than \$500,000. But any amount in such guarantee over and above this \$500,000 will be signed as now authorised by the Act by the Beretitenti in the normal way.
3. When this Act is passed it will have the desirable effect of relieving HE the Beretitenti from an already heavy everyday paper work and other State matters and involving the Minister of Finance in Government activities by way of guarantee for loans where the monetary limit reflects the on going day to day financial demands of the borrower to which the guarantee relates.

Michael N Takabwe
Attorney General
7 July 1995