



Isle of Man

Ellan Vannin

AT 5 of 2020

**ISLE OF MAN LOANS (AMENDMENT) ACT
2020**



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ISLE OF MAN LOANS (AMENDMENT) ACT 2020

Signed in Tynwald: 14 May 2020
Received Royal Assent: 19 May 2020
Announced to Tynwald: 19 May 2020

AN ACT to amend the Isle of Man Loans Act 1974 to make provision about the borrowing powers of Government; the consolidated loans fund; borrowing authorities; and for connected purposes.

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Council and Keys in Tynwald assembled, and by the authority of the same, as follows:—

PART 1 – INTRODUCTORY

1 Short title

The short title of this Act is the Isle of Man Loans (Amendment) Act 2020.

2 Commencement

- (1) This Act comes into operation on such day or days as the Treasury may by order appoint.
- (2) An order under subsection (1) may contain such consequential, incidental, supplementary, saving, transitional and transitory provision, including provision modifying or amending Manx enactments, as the Treasury considers appropriate.

Tynwald procedure – laying only.

PART 2 – AMENDMENT OF THE ISLE OF MAN LOANS ACT 1974

3 Amendment of the Isle of Man Loans Act 1974

The *Isle of Man Loans Act 1974* is amended as follows.

4 Power to borrow: section 3 amended

- (1) In section 3(2) (power to borrow) for “five million pounds” substitute **£50,000,000**.
- (2) After section 3(2) insert –
 - (3) If the Government borrows any sums under subsection (2), the Treasury must lay before Tynwald, as soon as practicable after any such sums have been borrowed, a report informing Tynwald of –
 - (a) the amount borrowed; and
 - (b) the purpose of the borrowing.

5 Conditions of borrowing: section 4 substituted

For section 4 (conditions of borrowing) substitute –

4 Conditions of borrowing

- (1) Sums borrowed under this Act may be borrowed by any of the following means –
 - (a) on an unsecured basis;
 - (b) on the security of –
 - (i) real estate held in trust for Her Majesty, for the public service of the Isle of Man;
 - (ii) the General Revenue or any part thereof, without affecting any previously existing charges on such estate or on the General Revenue; or
 - (c) by means of authorised securities.
- (2) Sums borrowed under this Act must be repaid within such period as the Treasury may from time to time approve provided that such sums are repaid within 60 years from the date upon which such sums were originally borrowed.

6 Re-borrowing: section 7 substituted

For section 7 (re-borrowing) substitute –

7 Refinancing of borrowing

(1) The Government may from time to time refinance any sums borrowed under this Act as the Government thinks fit, whether or not on the same terms or with the same lender.

This is subject to section 4(2).

(2) Government will report any refinancing of its borrowing under this Act in its annual audited accounts. **22**.

7 Power to vary or revoke provisions relating to consolidated loans fund: section 11 substituted

For section 11 (power to vary or revoke provisions of Schedule 1) substitute —

11 Power to vary or revoke provisions of Schedule 1

(1) The Treasury may, by order, modify Schedule 1 (provisions relating to consolidated loans fund) as it thinks fit to ensure that the Fund is accounted for in accordance with proper practices.

Tynwald procedure – approval required.

(2) In this section “proper practices” means UK generally accepted accounting practices from time to time.

(3) The Treasury may, by order, amend the definition of “proper practices” in subsection (2) to provide for different internationally accepted accounting practices from time to time.

Tynwald procedure – negative. **22**.

8 Power to lend to borrowing authorities: section 12 amended

(1) After section 12(1) (power to lend to borrowing authorities), insert —

12 (1A) Without prejudice to any borrowing power contained in any other Manx legislation, an entity falling within paragraph (a) of the definition of “borrowing authority” is authorised to borrow money under this section if it is for the purpose of the performance of its functions and such borrowing is approved by the Treasury.

(1B) A company falling within paragraph (b) or (c) of the definition of “borrowing authority” is authorised to borrow money under this section if such borrowing is not contrary to that company’s memorandum and articles of association. **22**.

(2) For section 12(3) substitute —

12 (3) Every sum borrowed by the Government for the purpose of this section must be repaid within one year after every sum borrowed by the borrowing authority is repaid to the Government. **22**.

9 Power to use internal loans: section 16 amended

In section 16 (power to use internal loans), omit “paragraph 14 of”.

10 Interpretation: section 32 amended

In section 32 (interpretation) —

(a) for the definition of “borrowing authority” substitute —

▣ “borrowing authority” means —

- (a) a Department, a Statutory Board, a local authority, Housing Committee and any other public body statutorily authorised to borrow;
 - (b) any company, more than half of the equity share capital of which is beneficially owned by one or more Departments or by a Statutory Board or is otherwise held by or in trust for the Government; and
 - (c) any company that is a subsidiary of a body referred to in paragraph (b); ▣; and
- (b) in the definition of “Statutory Body”, for “Board of Tynwald, a Commercial Board, the Manx Utilities Authority, the Isle of Man Post Office Authority,” substitute ▣ Department, a Statutory Board, ▣.

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