

RESOLUTION NO.

PARLIAMENT

WHEREAS by section 3(1) of the *External Loans Act*, Cap. 94D the Government is authorised to borrow money outside Barbados for such purposes and in such sums as are approved by Resolution of Parliament:

AND WHEREAS by section 3(2) of the said Act all borrowings thereunder shall be effected and secured by the issue and sale of securities:

AND WHEREAS by section 5(2) of the said Act the principal of and the interest on securities and any sinking fund payment required to be made under section 6(1) of the Act are charged on and payable out of the Consolidated Fund:

AND WHEREAS the Government deems it necessary to borrow, for the purpose of supporting its foreign reserves, sums up to \$150 000 000 in the currency of the United States of America in the Trinidad and Tobago capital market by way of a bond issue through Scotiatrust and Merchant Bank Limited as Lead Manager and underwriter the terms of which are set out in the Schedule:

BE IT RESOLVED therefore that Parliament:

- (a) approve the borrowing of the said sums up to \$150 000 000 in the currency of the United States of America in the Trinidad and Tobago capital market by way of a bond issue through Scotiatrust and Merchant Bank Limited as Lead Manager and underwriter for the purpose herein mentioned; and
- (b) approve the establishment of a sinking fund for the redemption of each bond issue made under the said Act and for the moneys necessary to maintain and service that fund.

Approved by the House of Assembly this day of ,
2009.

Speaker.

Approved by the Senate this day of ,
2009.

President.

ADDENDUM

The Resolution seeks the approval of Parliament for the borrowing, for the purpose of supporting the country's foreign reserves, of sums up to \$150 000 000 in the currency of the United States of America in the Trinidad and Tobago capital market by the issue of bonds. This is in anticipation of the government's accelerated development programme in 2009. The transaction is to be managed by Scotiabank and Merchant Bank Limited and the bond is to be issued in 2 tranches - a medium term tranche with maturity of 5 years and a longer term tranche with a maturity of 10 years.

SCHEDULE

TERMS AND CONDITIONS

The Issuer of the securities: The Government of Barbados.

Manager of the transaction: Scotiabank and Merchant Bank Limited a lending institution incorporated under the Companies Ordinance of Trinidad and Tobago.

Amount of the loan: Up to US\$150 000 000.

Maturity of the loan in 2 tranches:

	Tranche 1	Tranche 2
Term (years)	5 years	10 years
Indicative Interest Rate:	6.75%	7.80%
Moratorium on principal repayment:	1.5 years	3 years
Principal repayment:	14	14
Periodicity of payments:	Quarterly	Semi-annually