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Second Session Tenth Parliament Republic of
Trinidad and Tobago



REPUBLIC OF TRINIDAD AND TOBAGO

Act No. 17 of 2011

[L.S.]

AN ACT to provide for the purchase by Government of certain rights belonging to holders of Short-Term Investment Products with Colonial Life Insurance Company (Trinidad) Limited and British American Insurance Company (Trinidad) Limited; to empower the Minister of Finance to make payments and issue bonds for the purchase of those rights; to validate

funding provided by Government to Colonial Life Insurance Company (Trinidad) Limited and British American Insurance Company (Trinidad) Limited; and for related matters

[Assented to 20th September, 2011]

Preamble

WHEREAS the total funding provided by the Government to Colonial Life Insurance Company (Trinidad) Limited and British American Insurance Company (Trinidad) Limited (“the Companies”), between February, 2009 and May, 2010 amounted to five billion, one hundred million dollars:

And whereas on the 8th day of September, 2010, the Minister of Finance announced his intention to treat with the holders of Short-Term Investment Products (“STIPs”) with the Companies whose principal balances exceeded seventy-five thousand dollars over a twenty-year period at zero interest and structured in such a manner to accommodate trading on the secondary markets:

And whereas since the 4th day of March, 2011 the Government has purchased from the holders of STIPs with the Companies, certain rights in respect of principal balances not exceeding seventy-five thousand dollars:

And whereas the said funding of five billion, one hundred million dollars and the said purchase of rights in respect of principal balances not exceeding seventy-five thousand dollars were executed pending legislative authority:

Enactment

ENACTED by the Parliament of Trinidad and Tobago as follows:

Short title

1. This Act may be cited as the Purchase of Certain Rights and Validation Act, 2011.

2. In this Act—

Interpretation

“BAT” means the British American Insurance Company (Trinidad) Limited incorporated under the Companies Act;

Chap. 81:01

“bond” means a non-interest bearing transferable bond;

“Central Bank” means the Central Bank of Trinidad and Tobago established under the Central Bank Act;

Chap. 79:02

“CIB” means the CLICO Investment Bank incorporated under the Companies Act;

Chap. 81:01

“CLICO” means the Colonial Life Insurance Company (Trinidad) Limited incorporated under the Companies Act;

“financial institution” means a company licensed under the Financial Institutions Act;

Act No. 26 of 2008

“Minister” means the Minister to whom the responsibility for finance is assigned;

“Short-Term Investment Products or STIPs” means—

(a) an Executive Flexible Premium Annuity, Executive Single Premium Annuity, Group Advanced Protection or Guaranteed Annuity Advanced Protection Policy issued by CLICO;

(b) Colonial Life Core Fund Series 6, being one of a series of mutual funds known as the Colonial Life Core Fund created by trust deed dated 15th March, 2003 and in respect of which CIB was established as Trustee; and

(c) Executive Flexible Premium Annuity, Single Premium Annuity, Corporate Savings Contract and Flexible Premium Annuity II issued by BAT.

Minister authorized to sign agreements, make payments and issue bonds

3. (1) For the purpose of purchasing rights belonging to the holders of STIPs, the Minister is authorized to—

- (a) sign agreements on behalf of the Government; and
- (b) make payments in any form whatsoever including the issuing of bonds.

(2) For the purpose of issuing bonds under subsection (1)(b), the Minister may in the first instance, issue twenty bonds—

- (a) of varying maturities from one to twenty years; and
- (b) not exceeding in the aggregate, ten billion, seven hundred million dollars,

and may thereafter issue additional bonds as may be specified by resolution of the House of Representatives.

Charge on Consolidated Fund

4. The payment of all moneys under this Act shall be a charge on the Consolidated Fund.

Bonds deemed registered

5. The bonds issued under this Act are deemed to have been duly registered in accordance with the provisions of the Securities Industry Act.

Chap. 83:02

Fiscal Agent

6. (1) The Minister may, by Order, designate—

- (a) the Central Bank; or
- (b) a financial institution,

the Fiscal Agent under this Act.

(2) The Fiscal Agent shall—

- (a) establish and maintain a register of the holders of bonds; and

(b) promptly pay, on behalf of Government, the principal sum at maturity of a bond.

7. (1) The Minister may make Regulations for Regulations carrying out the purpose and provisions of this Act including but not limited to the—

- (a) denomination of bonds;
- (b) transfer of bonds;
- (c) form, issue and recording of bonds; and
- (d) method of holding bonds.

(2) The Minister shall cause Regulations made under subsection (1) to be laid in Parliament.

8. (1) The funding to the value of five billion, one Validation hundred million dollars by Government to CLICO and BAT from February, 2009 to May, 2010 is hereby validated.

(2) The purchase of rights from and the payment of moneys to holders of STIPs in respect of principal balances not exceeding seventy-five thousand dollars, from the 4th day of March, 2011 to the date on which this Act comes into operation is hereby validated.

(3) For the purposes of this section “principal balances” means the capital sum payable to holders of STIPs as at issue date or last renewal date, where applicable, minus—

- (a) any capital withdrawals made by; or
- (b) loans made to,

the holder of the STIPs, prior to the 8th day of September, 2010.

Passed in the House of Representatives this
14th day of September, 2011.

J. SAMPSON MEIGUEL
Clerk of the House

Passed in the Senate this 17th day of September, 2011.

N. JAGGASSAR
Clerk of the Senate