

2018-02-22

RESOLUTION NO.

PARLIAMENT

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

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

AND WHEREAS by virtue of 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 hereby charged on and shall be payable out of the Consolidated Fund;

AND WHEREAS the Government of Barbados deems it necessary to borrow up to \$13.925 million in the currency of the United States of America on the international capital markets by the issue of securities arranged by ANSA Merchant Bank Limited with Consolidated Finance Company Limited as Co-Arranger, on the terms and conditions set out in the *Schedule* to this Resolution;

AND WHEREAS the borrowing is for the purpose of refinancing the existing debt obligations of the Government of Barbados;

BE IT RESOLVED therefore that Parliament

- (a) approve the borrowing of the said sum up to \$13.925 million in the currency of the United States of America on the international capital markets by the issue of securities arranged by ANSA Merchant Bank Limited with Consolidated Finance Company Limited as Co-Arranger for the purpose herein mentioned; and
- (b) approve the establishment of a sinking fund for the redemption of each issue of securities 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 _____, 2018.

Speaker

APPROVED by the Senate this _____ day of _____,

2018.

President

SCHEDULE

TERMS AND CONDITIONS

Issuer:	Government of Barbados
Issue:	Fixed Rate Non-Callable Bonds
Bond Issue Amount:	Up to US\$13.925 million
Arranger:	ANSA Merchant Bank Limited
Co-Arranger:	Consolidated Finance Company Limited
Use of Proceeds:	To refinance the existing debt obligations of the Government of Barbados.
Currency:	United States Dollars
Coupon:	Series 1A-Fixed at 7.95% p.a.
Term of Maturity:	6 years from the first disbursement date of Series 1A.
Basis:	30/360 day basis
Issue Price:	Series 1A-98.93%
Principal and Interest Repayment:	<p>(1) Interest Payments on Series 1A to be paid on a semi-annual basis in arrears commencing 6 months after the issue date.</p> <p>(2) Principal to be repaid in 12 equal semi-annual instalments commencing 6 months following disbursement.</p>
Facility:	Refers to the issuance of the bonds.
Conditions Precedent:	<p>The execution of this transaction will be subject to the fulfilment of the conditions precedent which are set out as follows:</p> <p>(1) Absence of any material adverse change in the financial, political, economic or other conditions in Barbados and Trinidad and Tobago that in the sole opinion of the Arranger, may affect the successful disbursement and syndication of the Facility between the date of the proposal and the closing date.</p>

Conditions Precedent: - (Concl'd)

- (2) The successful negotiation, preparation and execution of a final definitive agreement with respect to the Facility, such arrangement being satisfactory to the Arranger at their sole discretion and the satisfaction of all conditions contained therein. The Arranger will be bound to arrange the Facility on the terms and conditions referred to in this *Schedule* only after the execution of the final Facility Arrangements and to the extent of the successful syndication of the Facility.
- (3) The non-occurrence of material changes in the financial condition or prospects of the Issuer prior to the closing date that may be expected in the sole opinion of the Arranger to an adverse impact on the marketing of the Facility.
- (4) Presentation, execution, delivery and perfection of all transaction documentation prior to final disbursement in a form and substance satisfactory to the Arranger and their counsel, incorporating substantially the terms and conditions referred to above.
- (5) Exchange Control Authority approval to remit payments in United States dollars.
- (6) Approval of the Arranger's Credit and Investment Committee.
- (7) Submission of financial information as may be required by the Arranger. All financial information to be assessed and deemed satisfactory in the sole opinion of the Arranger.
- (8) The Facility must be pre-sold prior to disbursement.
- (9) Satisfaction of all legislative requirements.
- (10) Financial Service Commission or Inspector of Financial Institutions approval where required.
- (11) Any other conditions as are standard for Facilities of this nature and as recommended by the Arranger's Legal Counsel.

Other Conditions:

Should there be a deterioration in the credit rating of the Government of Barbados prior to execution, the interest rate may be adjusted to reflect the change in credit rating or outlook in the minimum increments of 0.25% p.a. per change or outlook.

Covenants and Other Conditions:	Standard, general covenants as are usual in a Facility of this size and nature to be included in the Trust Deed.
Arrangement fee:	Sixty basis points (0.60%) of the face value of the bonds payable upon initial disbursement of Series 1A.
Fees:	The fees for the Trustee, Registrar, Paying Agent and Legal Services are to be negotiated and capped for the account of the Issuer.
Taxes:	<ol style="list-style-type: none">(1) All payments of principal, interest and all other amounts shall be made in United States Dollars and will be paid without withholding or deductions for or on account of any taxes imposed by any Government including the Government of Barbados.(2) Where any taxes are payable by investors or lenders, the Issuer will increase the amount due such that the amount paid, after deduction for such taxes or withholding, will equal the amount that would have been paid had there been no such taxes.
Governing Law:	Barbados

ADDENDUM

The Resolution seeks the approval of Parliament for the borrowing of the said sum up to \$13.925 million in the currency of the United States of America on the international capital markets by the issue of securities arranged by ANSA Merchant Bank Limited with Consolidated Finance Company Limited as Co-Arranger for the purpose of refinancing the existing debt obligations of the Government of Barbados.