



LAWS OF KENYA

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**SPECIFIC LOAN (COMMONWEALTH  
DEVELOPMENT CORPORATION) ACT**

CHAPTER 440

Revised Edition 2012 [1962]

Published by the National Council for Law Reporting  
with the Authority of the Attorney-General

[www.kenyalaw.org](http://www.kenyalaw.org)



**CHAPTER 440**

**SPECIFIC LOAN (COMMONWEALTH  
DEVELOPMENT CORPORATION) ACT**

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**CHAPTER 440**

**SPECIFIC LOAN (COMMONWEALTH  
DEVELOPMENT CORPORATION) ACT**

[Date of commencement: 31st December, 1953.]

**An Act to make provision for borrowing the sum of two million pounds from the Commonwealth Development Corporation and for the appropriation, application and repayment thereof**

[Act No. 44 of 1953, Act No. 20 of 1955, L.N. 2/1964, L.N. 303/1964.]

**1. Short title**

This Act may be cited as the Specific Loan (Commonwealth Development Corporation) Act.

[L.N. 2/1964, L.N. 303/1964, Sch.]

**2. Interpretation**

In this Act—

“**Corporation**” means the Colonial Development Corporation established by section 1 of the Overseas Resources Development Act (Act No. 11 and 12 Geo. 6, c.5), 1948, of the United Kingdom;

“**Minister**” means the Minister for the time being responsible for Finance;

“**Permanent Secretary**” means the Permanent Secretary to the Treasury;

“**the Loan**” means the moneys authorised by this Act to be borrowed from the Corporation by the Minister.

[Act No. 20 of 1955, s. 2, L.N. 303/1964, Sch.]

**3. Authority to raise Loan**

The Minister is hereby authorised to borrow from the Corporation, either at one time or by instalments, the sum of two million pounds.

[L.N. 303/1964, Sch.]

**4. Loan to be a charge on consolidated fund**

The Loan and all interest and other charges thereon are hereby charged upon and shall be payable out of the consolidated fund.

**5. No other loan to rank in priority to Loan**

No other charge on the general revenues and funds of Kenya ranking in priority to the charge created by section 4 of this Act shall be created except with the prior consent of the Corporation:

Provided that nothing in this section contained shall prevent the creation of a charge or charges on the general revenues and funds of Kenya ranking *pari passu* with the charge created by section 4 of this Act.

[L.N. 2/1964.]

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## 6. Application of Loan

The Loan shall be appropriated to and applied for the purposes of the Housing Act (Cap. 117), and no other purposes.

[L.N. 2/1964.]

## 7. Terms and conditions of Loan

(1) The terms and conditions upon and subject to which the Loan shall be borrowed shall be such as may be agreed between the Minister and the Corporation consistently with the provisions of this Act, and such agreement may provide for—

- (a) the creation of and the issue to the Corporation of bonds for securing the Loan, in such form, in such amounts not being less than ten thousand pounds each issued at such times and made subject to such terms and conditions as, subject to the provisions of this Act, may be agreed between the Minister and the Corporation; and
- (b) the conversion of the said bonds, when required by the Corporation, into stock or other securities.

(2) Any such agreement as aforesaid may be executed by the Minister on behalf of the Minister.

[L.N. 2/1964, L.N. 303/1964, Sch.]

## 8. Register of bonds

(1) The Permanent Secretary shall keep a register in which all bonds issued under this Act shall be registered, and in which all transfers, and transmissions thereof shall be registered.

(2) Such register or a copy of any entry therein certified by the Permanent Secretary, or a person nominated by him for the purpose, shall be *prima facie* evidence of the title of any person to any bond of which he is entered in the register as the holder.

[L.N. 2/1964.]

## 9. Transfer of bonds

All bonds issued under this Act shall be transferable by an instrument of transfer in a form approved by the Permanent Secretary, and any endorsement upon any such bond purporting to record the transfer or transmission thereof or any dealing therein certified by the Permanent Secretary, or a person nominated by him for the purpose, shall be *prima facie* evidence of the transfer, transmission or dealing.

[L.N. 2/1964.]

## 10. Closing of register

(1) The Permanent Secretary may, for a period not exceeding fourteen days before each payment of interest on any bonds registered under this Act, close the register of those bonds as regards transfers upon giving not less than seven days' notice of such closing; and such notice shall be published in the *Gazette* and a newspaper circulating in Kenya.

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(2) The persons who on the day of such closing are registered as bond holders shall, as between themselves and their transferees, be entitled to the interest then next payable on the bonds.

[L.N. 2/1964.]

**11. Appropriation of moneys out of consolidated fund**

So long as any portion of the Loan remains outstanding, the Minister shall from time to time appropriate out of the consolidated fund such sums as are required to meet all payments becoming due under the terms and conditions of the agreement referred to in section 7 of this Act, and shall authorise the Permanent Secretary to make such payments on the days on which the same fall due.

[L.N. 2/1964, L.N. 303/1964, Sch.]

**12. No notice of trust to be received or registered**

No notice of any trust in respect of any bond shall be entered in the register or be receivable by the Permanent Secretary.

**13. Exemption from stamp duty**

No stamp duty shall be payable in respect of any interest, warrant or transfer of a bond.

**14. Regulations**

The Minister in Council may make regulations for all or any of the following purposes—

- (a) registering bonds in the register;
- (b) prescribing the persons who may be registered as bond holders;
- (c) prescribing the method by which any payment in respect of the bonds shall be made;
- (d) prescribing the method by which bonds may be transferred;
- (e) providing for the registration, payment of interest on, repayment of principal of, and transfer of bonds in the case of persons who are under legal disability;
- (f) providing for the replacement of bonds lost or destroyed;
- (g) generally for the better carrying out of the provisions of this Act.

[L.N. 2/1964, L.N. 303/1964, Sch.]

**15. Cap. 419 not to apply**

Notwithstanding anything contained in the General Loan and Stock Act (Cap. 419), the provisions of that Act shall not apply to the Loan or to any such bonds as aforesaid or anything done under this Act.

[L.N. 2/1964.]

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