

RAILWAY LOAN (INTERNATIONAL BANK) ACT

ARRANGEMENT OF SECTIONS

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SCHEDULE

An Act to provide for the raising of a loan, from the International Bank for Reconstruction and Development by the Government of the Federation for the benefit of the Nigerian Railway Corporation and for matters incidental thereto.

[1958 No. 10.]

[17th April, 1958]

[Commencement.]

1. Short title

This Act may be cited as the Railway Loan (International Bank) Act.

1. Interpretation

In this Act, unless inconsistent with the context-

“**International Bank**” means the International Bank for Reconstruction and Development;

“**Nigerian corporation**” means a body incorporated by an Act enacted or deemed to have been enacted by the Federal legislature.

1. Borrowing from International Bank

(1) Subject to the provisions of this Act, the President may, in such manner and on such terms and subject to such conditions as he thinks fit, and in the name of the Government of the Federation, borrow from the International Bank a sum not exceeding N30,000,000 or its equivalent in other currencies.

(2) For the purpose of subsection (1) of this section a loan which is authorised by and made in pursuance thereof—

(a) shall be deemed to be made on the date that any agreement providing therefor is signed, notwithstanding any other date on which the loan or any part thereof may be made available or may be drawn; and

(b) shall be deemed to be in such amount of pounds sterling as is the equivalent, at the rate of exchange in force at the date of such signature, to the amount of the loan as expressed in the currency in which the loan is denominated in or for the purpose of such agreement.

(3) The money raised under the authority of this Act shall be appropriated and applied to the purposes specified in the Schedule:

[Schedule.]

Provided that where in the opinion of the President it is not possible in respect of any part of such money to apply it for the purposes so specified, such part may be applied to such other purposes as may be approved by him and agreed by the Minister of Finance and the International Bank.

(4) Any allocation of this loan to the Nigerian Railway Corporation shall be paid by the Treasury to the Nigerian Railway Corporation out of the general revenues and assets of the Federation, which are hereby appropriated to the purpose.

(5) The power to borrow conferred by subsection (1) of this section shall be in addition to the power to borrow conferred by any other Act.

(6) A copy of any agreement concluded with the International Bank in respect of any sums borrowed under the provisions of subsection (1) shall be laid before the National Assembly within thirty days of the conclusion thereof or, if the National Assembly is not sitting at a time when such may be done, then within fifteen days after the commencement of its next sitting.

1. Payment of subsequent expenses, etc.

The Nigerian Railway Corporation shall pay to the government of the Federation management expenses of the loan, the interest payable thereon, and the amortisation

charges and any other charges payable in respect thereof.

5. Sums borrowed and interest and other charges to be a charge on general revenue

(1) All sums borrowed under the powers conferred by subsection (1) of section 3, and all interest and other charges payable thereon respectively, shall be a charge on and shall be payable out of the general revenue and assets of the Federation, which are hereby appropriated to the purpose.

(2) The Treasury shall-

(a) repay out of the general revenues and assets of the Federation such sum or sums as may be necessary for securing repayment of any sum so borrowed in accordance with the amortisation charges thereon; and

(b) payout of the general revenues and assets of the Federation such sum or sums as may be necessary for securing payment of interest on any sum so borrowed and of all other charges payable in respect thereof, and any such sums shall be a charge on the general revenues and assets of the Federation.

6. Repayment of sums paid under guarantee

Any sum paid out of the Consolidated Fund of the United Kingdom on account of any guarantee given in respect of any sum borrowed under the powers conferred by subsection (1) of section 3, shall be repaid in such manner and over such period as may be appointed by Her Majesty's Treasury in the United Kingdom after consultation with the President, together with interest at such rate as may be fixed by Her Majesty's Treasury in the United Kingdom after such consultation, and shall be a charge jointly and severally on the general revenues and assets of the Federation and of the Nigerian Railway Corporation.

7. Power to issue instruments including bonds

Notwithstanding anything contained in any Act or Law, the President may issue such instruments, including bonds, as may be necessary for the purpose of any agreement which may be entered into with the International Bank in respect of the borrowing authorised by subsection (1) of section 3.

8. Implementation of obligations under agreement

(1) Notwithstanding anything contained in any Act or Law, the President may exercise all such powers and authorities and do or cause to be done all such things as appear to him to be necessary for giving full and complete effect to any agreement which may be entered into with the International Bank in respect of the borrowing authorised by subsection (1) of section 3.

(2) A Nigerian corporation shall not, without the consent of the President, create any lien on any of its assets as security for any loan raised by it outside the Federation unless it is expressly provided that the lien will *ipso facto* equally and rateably secure that payment of the principal of and interest and other charges on any loan made by the International Bank and raised under the authority of this Act.

(3) In this section-

“**lien**” includes mortgages, pledges, charges, privileges and priorities of any kind.

SCHEDULE

[Section 3 (3).]

Authorised purposes

To provide finance for the extension of the railway system to the former province of Bornu and of other capital development of the Nigerian Railway Corporation.

SUBSIDIARY LEGISLATION

No Subsidiary Legislation