

Supplementary Order Paper

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HOUSE OF REPRESENTATIVES

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Wednesday, the 10th Day of October 1956

LOCAL AUTHORITIES LOANS BILL

*Proposed Amendments*

Right Hon. Mr HOLYOAKE, in Committee, to move the following amendments:

Clause 56: To insert in subclause (1), after the words "a separate bank account" in line 21, the words "or, with the consent of the Audit Office, into one or more separate bank accounts".

To omit from subclause (1) the words "that separate bank account" in lines 24 and 25, and substitute the words "any such separate bank account".

To omit from subclause (3) the words "the said separate bank account" in line 33, and substitute the words "any such separate bank account".

To omit from subclause (4) the words "the said separate bank account" in line 35, and substitute the words "any such separate bank account".

To omit from subclause (7) the words "referred to in subsection *one* of this section" in lines 8 and 9 on page 34, and substitute the words "into which the loan money was paid".

Clause 85: To insert, after subclause (1), the following subclause:

(1A) Where a sinking fund is to be established to provide money for the repayment of any special loan, then, in any case where the loan is raised by separate issues of securities, each such issue shall be deemed for the purposes of this section to be a separate loan, and a sinking fund shall be established in respect of each such issue.

Clause 89: To omit the proviso to subclause (1) on page 48, and substitute the following proviso:

Provided that, where the whole loan or any issue thereof is raised in several parts having different maturity dates, then, on the maturity of the securities issued in respect of any such part, there shall be applied in repayment of that part so much of the accumulated sinking fund established in respect of the loan or of that issue, as the case may be, as bears to the total accumulated sinking fund the same proportion as the amount of that part of the loan or issue that was raised by the local authority bears to the total amount of the loan or issue that was raised and is then remaining outstanding.

## EXPLANATORY NOTE

*Clause 56:* The effect of this amendment will be that, instead of the local authority paying all loan money into one separate bank account, the local authority may, with the consent of the Audit Office, pay all loan money into one or more separate bank accounts.

*Clause 85:* The purpose of this amendment is to provide that, where a sinking fund is to be established for the repayment of a special loan and the loan is raised by separate issues of securities, a separate sinking fund must be established in respect of each separate issue.

*Clause 89:* This amendment makes consequential changes in the provisions of *clause 89 (1)* relating to the apportionment of a sinking fund between different portions of a loan raised by several instalments, and also specifies the manner in which the apportionment is to be made. The effect of the new provision is that as any instalment matures the accumulated sinking fund is to be apportioned rateably among the several instalments in the proportion that the instalment maturing bears to the total of all the instalments.