

THE REPUBLIC OF NAURU

No. 6 of 1970

AN ACT

To authorise the President to execute a guarantee
and warranty relating to the Nauru Local Government
Council and for other purposes.

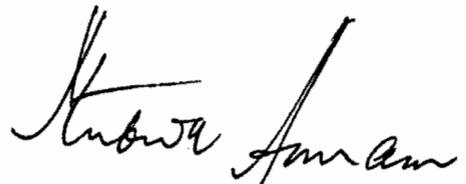
Certified: 25/7/1970

I HEREBY CERTIFY that the attached document is a fair print of an Act entitled The Nauru Local Government Council Guarantee Act 1970. that has been made by Parliament and is now presented to the Speaker for his Certificate, under Article 47 of the Constitution.



Clerk of Parliament.
25 /7/1970

Pursuant to Article 35. (3.) and 47 of the Constitution, I, ALFRED ITUBWA AMRAM, Speaker of Parliament, HEREBY CERTIFY that the NAURU LOCAL GOVERNMENT COUNCIL GUARANTEE ACT 1970, a copy of which is attached, has been passed by Parliament.



Speaker
25 /7/1970

THE REPUBLIC OF NAURU

(No. 6 of 1970)

AN ACT

To authorise the President to execute a guarantee and warranty relating to the Nauru Local Government Council and for other purposes

(Certified: 25/7/70.)

Be it enacted by the Parliament of Nauru as follows:-

Short title

1. This Act may be cited as the Nauru Local Government Council Guarantee Act 1970.

Interpretation

2. In this Act, except where the context otherwise requires -

"agreement" means an agreement which may be entered into by the Council with the bank under which, at the request of the Council and of the Republic, the bank will establish a documentary letter of credit in favour of the beneficiary for \$U.S. 700,000 being the balance of the purchase price to be paid by the Council for the vessel;

"bank" means Bank of New South Wales;

"beneficiary" means N.V. Nederlandsche-Amerikaansche Stoomvaart Maatschappij (Holland Amerika Lijn) of Rotterdam;

"Council" means the Nauru Local Government Council;

"fund" means the Nauru Development Fund established by section 5 of the Nauru Phosphate Royalties (Payment and Investment) Ordinance 1968;

"letter of credit" means the documentary letter of credit to be established under the agreement;

"President" means the President of Nauru;

"Republic" means the Republic of Nauru;

"vessel" means the steel screw motorship "Prinses Margriet"

President may
give guarantee

3. (1) The President may, on behalf of the Republic, guarantee to the bank due payment to it by the Council of all moneys paid by the bank to the beneficiary under the letter of credit.

(2) The terms and conditions of the guarantee shall be such as may be agreed between the President and the bank and the Republic shall be so bound.

Declaration of
powers of
Council

4. It is hereby declared, for the avoidance of doubt, that the Council has power -

(a) to obtain the establishment of the letter of credit and to incur indebtedness to the bank thereon;

(b) to provide security to the bank in terms of the agreement by way of a ships mortgage in respect of the vessel or the shares in the vessel and to execute such a mortgage; and

(c) to lodge Australian Commonwealth Government Bonds having a par value of \$(Australian) 100,000, being assets of the fund, as security for the payment by the Council to the bank of moneys paid by the bank to the beneficiary under the letter of credit.

Vessel not to
be exempted
from registra-
tion

5. The Cabinet shall not exempt the vessel from registration under the Registration of Shipping Act 1968.

President may
give warranty

6. (1) The President may, on behalf of the Republic, give to the bank a warranty undertaking that, if at any time it should be established that the Council lacks sufficient power to enter into and carry out its obligations under the agreement or if the Council ceases to exist before its indebtedness to the bank under the agreement has been discharged the Republic shall pay to the bank as and when they become due for payment all sums payable to it under the agreement and remaining unpaid.

(2) The terms and conditions of the warranty shall be as agreed between the President and the bank and the Republic shall be so bound.