

# CHAPTER L6 - LOANS LAW

## ARRANGEMENT OF SECTIONS

### SECTION

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### SCHEDULE

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### LOANS LAW

**A Law to enable the State to borrow from the Federal Government or elsewhere in Nigeria.**

[KWS 11 of 1968, No. 4 of 2006.]

[Date of commencement: 1st April, 1968]

#### 1. Short title

This Law may be cited as the Loans Law.

[No. 4 of 2006.]

#### 2. Interpretation

In this Law, unless the context otherwise requires—

**"Commissioner"** means the commissioner charged with responsibility for financial matters in the State;

**"Governor"** means the Governor of the State;

**"the State"** means the Kwara State of Nigeria.

### **3. Authority to raise loans**

The Governor is hereby authorised to raise a loan or loans from the Federal Government of the Federal Republic of Nigeria or from any other source.

[No. 4 of 2006.]

### **4. Application of loans**

The purposes to which any loan or loans raised under the provisions of this Law may be applied shall, save in respect of the sums necessary to defray the expenses in connection with the raising of a loan from a source other than the Federal Government of the Federal Republic of Nigeria, be limited to meeting, in whole or in part, capital expenditure comprising part of any development programme approved in relation to the State.

### **5. Charge of loans upon revenue and assets of the State**

The principal monies and interest payable in respect of any loan or loans raised or deemed to be raised under the provisions of this Law are hereby charged upon and shall be payable out of the general revenue and assets of the State.

### **6. Repayment of loans and interest**

(1) The Commissioner shall, in respect of each loan to be raised under this Law, specify by directions published in the State Gazette—

(a) the sum of money to be raised by that loan;

(b) the rate of interest payable on that loan; and

(c) the period of repayment of that loan.

(2) Subject to the directions specified under subsection (1) and to such further directions as the Commissioner may give, the Accountant-General may make all such arrangements as may be necessary to give effect to the provisions of this Law and of all such directions.

(3) The Commissioner shall from time to time appropriate out of the general revenue and assets of the State such sums as shall be required for the payment of the principal monies and interest payable in respect of each loan.

#### **7. Power to establish sinking funds**

The Commissioner shall have power to establish a sinking fund for the purpose of redeeming any loan raised or deemed to be raised under the provisions of this Law and to give directions to the Accountant-General for the management of any such fund.

#### **8. Authority to give guarantee, etc.**

(1) The Governor may, in such manner and on such conditions as he may think fit, guarantee the repayment of the principal and interest of any loan made with his consent to anybody corporate and any sums required for the fulfilment of any such guarantee are hereby charged upon and shall be payable out of the general revenue and assets of the State.

(2) Whenever the Governor shall have made payment of any sums of money in fulfilment of any guarantee given under subsection (1) he shall be entitled to charge interest on such sums of money to the body corporate on whose behalf that guarantee has been given and such interest may be charged at such rates and for such periods as he may determine in respect of each sum so paid.

(3) The body corporate shall repay such sums and the interest thereon to the Governor at such times, in such amounts and in such manner as the Commissioner may from time to time direct.

## 9. Outstanding loans

Such part of any loan raised under the laws specified in the Schedule, as has been apportioned to the State but excluding any part of such loan which has been redeemed before the date of the coming into operation of this Law, shall be deemed to have been raised under and in accordance with the provisions of this Law.

## 10. Repeal

The laws specified in the Schedule are hereby repealed to the extent to which they apply to the State.

### SCHEDULE

Cap. 65.....	The Loans (1960) Law
.....	The Loans (1963) Law
Cap. 66.....	The Local Borrowings Law
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Cap. 67.....	
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### CHAPTER L6

### LOANS LAW

### SUBSIDIARY LEGISLATION

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*No Subsidiary Legislation*

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