

**THE NATIONAL DEVELOPMENT BANK (AMENDMENT)
LAW, 1966**



No. 41



1966

I assent,

14th September, 1966

H.S. Norman-Walker,
Her Majesty's Commissioner.

**A LAW TO AMEND THE NATIONAL DEVELOPMENT BANK
LAW, 1963**

(23rd September, 1966)

ENACTED by the Legislature of Bechuanaland.

Short Title.

1. This Law may be cited as the National Development Bank (Amendment) Law, 1966.

Insertion of New Sections 5A and 5B in Law 13 of 1963.

2. The National Development Bank Law, 1963 (hereinafter called the principal law) is amended by the insertion after section 5 of the following sections —

“Power of the Bank to act as Agent.

5A. (1) The bank may act as agent for the administration of funds (not being funds of the bank referred to in Part III) on behalf of such persons, organizations or administrations as may from time to time be approved by the Minister.

(2) Any funds administered by the bank in accordance with the provisions of sub-section (1) shall not be deemed to be part of the funds of the bank referred to in Part III but they shall be administered, paid and applied in accordance with directions from time to time given by the Minister or such persons, organizations or administrations, as the case may be.

Additional Powers and Duties of the Bank.

5B. (1) In addition to any other powers and duties conferred by this Law, the bank may —

- (a) accept money, documents or valuables from any person for safe custody;
- (b) in connection with any loan or guarantee given by the bank, manage, operate or control any property, enterprise or undertaking on behalf of any person;
- (c) operate any savings scheme or any combined life assurance and savings scheme approved by the board; and
- (d) make or give guarantee approved by the board on behalf of any person.

(2) The bank may do anything necessary, incidental or subsidiary to the exercise of the powers mentioned in sub-section (1) including the charging of fees.”.

Insertion of New Sections 17A and 17B in Law 13 of 1963.

3. The principal law is amended by the insertion after section 17 of the following sections —

“Provisions relating to Loans.

17A. (1) In the case of every loan the bank shall determine —

- (a) the limit of such loan;
- (b) the security required;
- (c) the period of repayment of the loan together with the interest thereon; and

(d) the rate of interest to be charged :

Provided that no loan shall earn interest at a rate lower than the minimum rate declared under the provisions of sub-section (2) and in force at the time the loan is made.

(2) The Minister may, by notice published in the *Gazette*, declare a minimum rate of interest for the purpose of sub-section (1).

Loans secured on Life Assurance Policies.

17B. (1) For the purposes of this section, the expression "policy of life assurance" or "policy" means any instrument by which the payment of moneys by or out of the funds of an assurance company, on the happening of any contingency depending on the duration of human life, is assured or secured; and the expression "assurance company" means every corporation, association, society or company now or hereafter carrying on the business of assuring lives or survivorships either alone or in conjunction with any other object or objects.

(2) Every loan, the security of which is a policy of life assurance, shall be secured by deed of assignment which shall be in a form to be approved by the board.

(3) In the event of the borrower failing to repay any loan or part thereof made under the provisions of this section, together with the interest thereon, then the bank shall be at liberty to sue at law in the name of the borrower for the recovery of such moneys from the assurance company liable under the policy for moneys thereby assured or secured :

Provided that --

(a) no assignment of a policy of life assurance shall confer on the bank any right to sue for the amount of such policy, or the moneys assured or secured thereby, until a written notice of the date and purport of such assignment is given to the assurance company liable under such policy at their principal place of business for the time being in Bechuanaland and the date on which such notice is received shall regulate the priority of all claims under any assignment and a payment *bona fide* made in respect of such policy by the assurance company before the date on which such

notice is received shall be valid against the bank as if this Law had not been passed ;

- (b) every assurance company to whom notice is duly given to the assignment of any policy under which it is liable shall, upon request in writing by the bank and upon payment in each case of a fee not exceeding one rand, deliver an acknowledgement in writing under the hand of the manager, secretary, treasurer or other principal officer of the assurance company in Bechuanaland of their receipt of such notice; and every such written acknowledgement, if signed by the manager, secretary, treasurer or other principal officer in Bechuanaland of the assurance company whose acknowledgement the same purports to be, shall be conclusive evidence as against such assurance company of its having duly received the notice to which such acknowledgement relates."

Amendment of Paragraph 1 of the First Schedule to Law 13 of 1963.

4 Paragraph 1 of the First Schedule to the principal law is amended in sub-paragraph (1) by the deletion of "the manager".

Amendment of Paragraph 2 of the First Schedule to Law 13 of 1963.

5 Paragraph 2 of the First Schedule to the principal law is amended in sub-paragraph (1) by the deletion of "the manager or".

Amendment of Paragraph 4 of the First Schedule to Law 13 of 1963.

6 Paragraph 4 of the First Schedule to the principal law is amended by the deletion of "the manager or".

Amendment of Paragraph 5 of the First Schedule to Law 13 of 1963.

7 Paragraph 5 of the First Schedule to the principal law is amended in sub-paragraph (4) by the deletion of "save only that he shall not be a member of the board unless he has been appointed by Her Majesty's Commissioner," and by the substitution of a full stop for the comma after "manager" where it occurs for the second time.

Amendment of Paragraph 13 of the First Schedule to Law 13 of 1963.

8 Paragraph 13 of the First Schedule to the principal law is amended in proviso (a) of sub-paragraph (1) by the deletion of —

- (a) "the manager and"; and
- (b) "other".

Passed by the Legislative Assembly this day,
the 23rd August, 1966.

G.T. MATENGE,
Clerk of the Legislative Assembly.