(Published 19th April, 2024)

Act

No. 10 of 2024

I assent

DR. LAZARUS MCCARTHY CHAKWERA
PRESIDENT
18th April, 2024

ARRANGEMENT OF SECTIONS

SECTION
1. Short title
2. Authorization and ratification of the Loan Agreement
3. Application of the Loan
4. Repayment charged on the Consolidated Fund
5. Exemptions from taxes, charges, etc.

An Act to authorize and ratify a Loan Agreement made between the Minister of Finance, for and on behalf of the Government of the Republic of Malawi, as borrower, of the one part, and the Saudi Fund for Development (hereinafter referred to as the "Fund"), as lender, of the other part, dated the 9th day of November, 2023, for sums of money not exceeding in the aggregate, the equivalent of seventy five million Saudi Riyals (SR 75,000,000) (hereinafter referred to as the "Loan") and further to provide for matters incidental thereto.

PREAMBLE

WHEREAS, in exercise of the powers conferred by section 74 of the Public Finance Management Act (No. 4 of 2022), the Minister of Finance signed a Loan Agreement dated the 9th day of November, 2023, with the Fund;

WHEREAS, in pursuance to that signature and subject to the terms and conditions in the Loan Agreement, the Fund has agreed to lend to the Government the Loan, to be applied solely for the purpose of providing partial financing for the construction and rehabilitation of the Mangochi-Makanjira road (hereinafter called the "Project");

WHEREAS under the Loan Agreement, the Government is required to pay a Loan Charge at the rate of one per centum per annum on the principal amount of the loan withdrawn;

AND WHEREAS it is provided in the Loan Agreement that the principal amount of the Loan shall be repaid in equal and consecutive semi-annual instalments on 1st April and 1st October, the first of such instalments being payable on 1st April, 2029 and the last instalment being payable on 1st October, 2043;

NOW, THEREFORE, BE IT ENACTED by the Parliament of Malawi as follows—

Short title

1. This Act may be cited as the Saudi Fund for Development (Construction and Rehabilitation of Mangochi-Makanjira Road Project) Loan (Authorization and Ratification) Act, 2023.

Authorization and ratification of the Loan Agreement

2. The Loan Agreement, more particularly recited in the Preamble to this Act, and all of the provisions, terms and conditions therein contained, are hereby authorized and ratified for all purposes, and the Government is hereby declared henceforth to be bound thereby without reservation, and to be subject to all provisions of the Loan Agreement, terms and conditions and to be solely and primarily liable for any obligation or liability arising thereunder as, or stated to be, an obligation or liability of the Government.

Application of the Loan

3. The proceeds of the Loan authorized and ratified by section 2 shall be appropriated and applied solely for the purposes of providing partial financing for the Project, and no other purpose.

Repayment charged on the Consolidated Fund

4. The sums required, from time to time, for the repayment of the Loan and any other payments to be made by the Government to the Fund under, and in accordance with the provisions, terms and conditions of the Loan Agreement, are hereby charged on the Consolidated Fund.

Exemption from taxes, charges, etc.

5. All sums to be payable or to be paid, from time to time, by the Government to the Fund under and in accordance with the provisions, terms and conditions of the Loan Agreement shall, notwithstanding the provisions of any other written law, be paid without deduction for, and free from, any tax or charge whatsoever, and shall be free from all restrictions or limitations imposed by or under any written law of Malawi.

Passed in Parliament this twelveth day of March, two thousand and twenty four.

FIONA KALEMBA
Clerk of Parliament