

PART XI - BORROWING

46.(1) Any government in the State or its agencies and Corporations desirous of borrowing shall, specify the purpose for which the borrowing is intended and present a cost benefit analysis, detailing the economic and social benefits of the purpose to which the intended borrowing is to be applied.

Condition of
Borrowing and
Verification of
Compliance
limits

(2) Without prejudice to Sub-Section (1) of this Section, each borrowing shall comply with the following conditions:

- (a) the existence of prior authorization in the Appropriation Law or any other Law for the purpose for which the borrowing is to be utilized; and
- (b) the proceeds of such borrowing shall solely be applied towards long-term capital expenditures.

(3) Nothing in this Section shall be construed to authorize borrowing in excess of the limits set out in Section 43 of this Law.

(4) The Commission shall verify on a quarterly basis, compliance with the limits and conditions for borrowing by each Government in the State.

(5) Without prejudice to the specific responsibilities of the House and Bankers of the State, the Debt Management Department shall maintain comprehensive, reliable and current electronic database of internal and external public debts, guaranteeing public access to the information.

47.(1) All Banks and Financial Institutions shall request and obtain proof of compliance with borrowing guidelines from debt management office before lending to any Government in the State.

Lending by
Financial
Institution

(2) All borrowing shall comply with the national borrowing guidelines issued by the Debt management office.

48.—The bankers of the State in their relation with the State and other Government agencies and Parastatals shall be subject to the prohibitions imposed by an Act of the National Assembly.

Prohibitions
against Bankers
of State and
its relation with
Government
Agencies and
Parastatals

49.(1) Subject to the provisions of this Law, the Commissioner may with the approval of the State Executive Council, grant guarantees on behalf of any Government in the State.

Power of
Commissioner
to Grant
Guarantees