

Zambia

Rhodesia Railways Loans Guarantee Act, 1950

Chapter 369

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Rhodesia Railways Loans Guarantee Act, 1950

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Zambia

Rhodesia Railways Loans Guarantee Act, 1950

Chapter 369

Commenced on 8 September 1950

[This is the version of this document at 31 December 1996.]

[18 of 1950; Federal Act 18 of 1955; Government Notice 427 of 1963; Statutory Instrument 154 of 1965]

An Act to provide for the Rhodesia Railways to make good any losses incurred by the trustees of the Railway Pension Schemes upon realisation of investments; to provide for the guarantee by the Government of certain loans made to the Rhodesia Railways; to provide for the Government to make good any deficiencies in the moneys available to the aforesaid trustees for the payment of pensions; and to provide for matters connected with the foregoing.

1. Short title

This Act may be cited as the Rhodesia Railways Loans Guarantee Act.

2. Interpretation

In this Act, unless the context otherwise requires—

"**Authority**" means the Higher Authority for Railways constituted by the Order in Council;

"**Governments**" means the Governments of Zambia and Southern Rhodesia;

"**loans**" means a loan of money made by the trustees to the Railways with the approval of the Authority in terms of clause 10 of the agreement made in pursuance of section 5 of the Rhodesia Railways Limited (Pension Schemes and Contracts) Act, 1949, of the United Kingdom, or clause 9 of the agreement made in pursuance of section 6 of the aforesaid Act;

"**Order in Council**" means the Federation of Rhodesia and Nyasaland (Dissolution) Order in Council, 1963;

[App. 1]

"**Railways**" means the Rhodesia Railways referred to in the Order in Council;

"**trust funds**" means the funds held by the trustees under the agreements made in pursuance of sections 5 and 6 of the Rhodesia Railways Limited (Pension Schemes and Contracts) Act, 1949, of the United Kingdom, and includes any investments thereof and any cash derived from the income of such investments or from contributions received by the trustees;

"**trustees**" means the trustees of the agreements made in pursuance of sections 5 and 6 of the Rhodesia Railways Limited (Pension Schemes and Contracts) Act, 1949, of the United Kingdom.

[As amended by Federal Act [No. 18 of 1955](#), G.N. No. 427 of 1963 and S.I. No. 154 of 1965]

3. Loss on realisation of investments

For the purpose of making at any time a loan to the Railways of the whole or any portion of the trust funds, the trustees shall be entitled to realise any investment, if necessary, at a figure below the book value of such investment and to lend the proceeds thereof to the Railways and thereupon the principal amount of any such loan shall be deemed to be the amount so realised and lent together with the amount, if any, of the difference between the net amount realised and the book value of the investment realised when the realised amount is less than the book value.

4. ^{*}Government guarantee of certain loans to Railways

- (1) The Government shall guarantee one-half of—
 - (a) the repayment of the principal amount of any loan; and
 - (b) the payment of any interest due on such loan.

*Any guarantee given under subsection (1) of [section 4](#) before its amendment by G.N. No. 427 of 1963 shall be deemed to have been given under the said subsection as substituted by G.N. No. 427 of 1963.

- (2) Notwithstanding the provisions of section twenty-six of the Rhodesia Railways Act, 1949, any surplus referred to in that sections shall, after the reimbursement of any payments made by the Governments in respect of any shortfall such as is referred to in section twenty-five of that Act, be applied to the reimbursement of any payments made by the Governments in terms of any guarantee such as is referred to in this section in the proportion of their payments.

[Cap. 463]

[G.N. No. 427 of 1963]

5. Government to pay deficiencies in moneys available to trustees for pensions

- (1) If owing to a loan to the Railways, including a loan to the Railways under the provisions of this Act before any amendment thereof, the funds at the disposal of the trustees are not sufficient to meet the pensions at any time payable by them, the Government shall meet one-half of such deficiency.
- (2) The trustees shall notify the Railways of any such deficiency and the Railways shall pay interest to the trustees upon any moneys paid by the Governments in respect of any deficiency such as is referred to in subsection (1) at such rate as may be determined by agreement of the Governments.
- (3) The trustees shall, upon repayment by the Railways of any loan, refund the Governments any moneys paid by them in respect of any deficiency such as is referred to in subsection (1) together with an amount equal to the interest paid by the Railways in terms of subsection (2), both in the proportion of the Government's payments.

[G.N. No. 427 of 1963]

6. Moneys required for fulfilment of guarantee

Any sums required by the Government for the fulfilment of any guarantee or payment due under this Act shall be paid out of the general revenues of the Republic which are hereby appropriated to the purpose.

[As amended by Federal Act [No. 18 of 1955](#), G.N. No. 427 of 1963 and S. I. No. 154 of 1965]

7. Indemnification of trustees

The trustees are hereby indemnified against any claim for breach of trust or loss of trust funds arising from any realisation of investment, for the purposes of making a loan, for any amount less than the book value thereof and from any loss arising from the loan to the Railways of any portion of the trust funds and the trustees are hereby discharged from any such liability.