CHAPTER 506

GOVERNMENT BORROWING AND GRANTING OF LOANS TO AIR MALTA PLC ACT

To authorise and regulate the raising of loans for the purpose of entering into re-lending agreements with Air Malta plc.

19th November, 2010

ACT XVIII of 2010.

Short title.

1. The short title of this Act is the Government Borrowing and Granting of Loans to Air Malta plc Act.

Interpretation.

2. In this Act, unless the context otherwise requires -

"Consolidated Fund" has the same meaning as is assigned to it under article 124 of the Constitution;

"Loan Agreement" means any agreement, approved by the European Commission in terms of the European Community Guidelines on State Aid for Rescuing and Restructuring Firms in Difficulty (2004/C 244/02), providing for the lending of money to Air Malta plc in terms of this Act;

"Minister" means the Minister responsible for finance.

Authority to raise loan.

3. (1) Subject to the provisions of this Act, the Government of Malta may, for the purposes of article 4, borrow sums of money in Malta for an amount which in total does not exceed fifty-two million Euro, and such other sums of money as the House of Representatives may from time to time by resolution authorise.

(2) For the purpose of raising the aforesaid sums of money by way of loan, the Minister is hereby authorised to borrow the said sums of money on such terms and subject to such conditions as the said Minister may approve under the provisions of the Local Loans (Registered Stock and Securities) Ordinance, in order to issue stock in Malta: Cap. 161.

Provided that the Minister may also, when he deems it expedient to do so for reasons of urgency, authorise the temporary use of funds from the Consolidated Fund in order to meet the financing requirements of the Loan Agreement until such time as the proceeds of the borrowing referred to in article 3 shall be obtained.

Purpose of loans.

4. (1) Notwithstanding any other provision of law, any money borrowed under the authority of this Act shall be appropriated and applied for the purpose of entering into re-lending agreements concluded between the Government of Malta, as lender, and Air Malta plc, as borrower, for an identified amount, in pursuance and within the framework of a Loan Agreement entered into for purposes of the rescuing and restructuring of Air Malta plc.

(2) The re-lending of money borrowed in terms of this Act for any purpose other than that specified under sub-article (1) may only be done in such manner and for such purpose as the House of Representatives may by resolution determine.