Statutory Instrument No. 58 of 2000

FINANCE AND AUDIT ACT
(Cap. 54:01)

CREDIT GUARANTEE SCHEME FUND ORDER, 2000

(*Published on 15th September, 2000*)

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

IN EXERCISE of the powers conferred on the Minister of Finance and Development Planning by section 25 of the Finance and Audit Act, the following Order is hereby made —

1. This Order may be cited as the Credit Guarantee Scheme Fund Order, 2000. Citation

2. In this Order, unless the context otherwise requires — Interpretation

"Accounting Officer" means the Permanent Secretary in the Ministry of Finance and Development Planning appointed as such under paragraph 5 of this Order;

"business" means any establishment whose main objective is the generation of a monetary profit and includes retail, commercial development, manufacturing and agricultural projects;

"Fund" means the Credit Guarantee Scheme Fund established under paragraph 3 of this Order;

"guarantee" means financial cover provided in case of the occurrence of failure to pay back a bank loan by any person granted such bank loan under this scheme; and

"small and medium enterprises" means any business with an annual income ranging from P40 000 to P250 000; and

"Minister" means the Minister responsible for finance.

3. There is hereby established a special fund to be known as the Credit Guarantee Scheme Fund. Establishment of Fund

4. (1) The purpose of the Fund is to foster, by means of providing a guarantee for losses of bank loans granted to Batswana owned businesses, the development of a self-sustaining small and medium enterprises sector in Botswana. Purpose of Fund

(2) Without prejudice to the generality of sub-paragraph (1), the Fund may provide for the setting up of any institutional support programmes that may be necessary in the carrying out of its objectives.

Administration of Fund

5. (1) The Permanent Secretary in the Ministry of Finance and Development Planning (hereinafter referred to as "the Accounting Officer") shall be the public officer responsible for the administration of the Fund.

(2) The Minister shall appoint the Botswana Export Credit and Insurance Company to undertake the day to day activities of the Fund.

Payments into Fund

6. There shall be paid into the Fund —

(*a*) P20 000 000 (twenty million Pula) by the Ministry of Finance and Development Planning;

(*b*) such other moneys as may be received from Government;

(*c*) income derived from the payment of interest, premiums, and any such fees as may be charged to persons whose bank loans are covered by this Fund; and

(*d*) income from the investment of moneys of the Fund.

Investment of Fund moneys

7. The Botswana Export Credit and Insurance Company shall invest the moneys of the Fund not immediately required for payments from the Fund on such terms as shall contribute to the achievement of the objectives of the Fund, and interest earned from such investment shall accrue to the Fund.

Disbursements from Fund

8. There shall be paid from the Fund —

(*a*) any amount of money required for the carrying out of any activity, which seeks to advance the objects of the Fund:

Provided that such disbursements qualify as reasonable expenses incurred in the performance of duties consistent with the objects of the Fund; and

(*b*) any amount which has been guaranteed under this Fund and in accordance with this Order.

Guidelines for disbursements from Fund

9. The Botswana Export Credit and Insurance Company shall develop guidelines for the payment of moneys from the Fund.

Accounts of Fund

10. (1) The Accounting Officer shall cause the —

(*a*) keeping and maintenance of proper accounts and records of the Fund;

(*b*) preparation for each financial year, of a balance sheet and statement of income and expenditure in such form and manner as the Accountant-General may approve; and

(*c*) maintenance of an account in which shall be recorded all receipts into the Fund, all disbursements from the Fund and the reconciliation of the monthly accounts of the Fund.

MADE this 11th day of August, 2000.

B. GAOLATHE,
Minister of Finance and Development Planning.

L2/7/97 III