

The Public Debt Act, 1944

(ACT NO. XVIII OF 1944)

An Act to consolidate and amend the law relating to Government securities and to the management of the public debt.^{1♣}

WHEREAS it is expedient to consolidate and amend the law relating to Government securities and to the management of the public debt;

It is hereby enacted as follows:-

Short title, extent and commencement

1. (1) This Act may be called the Public Debt Act, 1944.

(2) It extends to the whole of Bangladesh.

(3) It shall come into force on such date as the Government may, by notification in the official Gazette, appoint in this behalf.

Definitions

2. In this Act, unless there is anything repugnant in the subject or context,-

(1) "the Bank" means ²[Bangladesh Bank].

³[* * *]

(2) "Government security" means-

(a) a security, created and issued, whether before or after the commencement of this Act, by Government for the purpose of raising a public loan, and having one of the following forms, namely:-

(i) stock transferable by registration in the books of the Bank; or

(ii) a promissory note payable to order; or

(iii) a bearer bond payable to bearer; or

(iv) a form prescribed in this behalf, or notified by Government from time to time;

(b) any other security created and issued by Government in such form and for such of the purposes of this Act as may be prescribed;

(3) "prescribed" means prescribed by rules made under this Act;

(4) "promissory note" includes a treasury bill.

Transfer of Government securities

3. (1) Subject to the provisions of section 5, a transfer of a Government security shall be made only in the manner prescribed for the making of transfers of securities of the class to which it belongs, and no transfer of a Government security ⁴[* * *] shall be valid if-

(a) it does not purport to convey the full title to the security, or

(b) it is of such a nature as to affect the manner in which the security was expressed by the Government to be held.

(2) Nothing in this section shall affect any order made by the Bank under this Act, or any order made by a Court upon the Bank.

Transferor of Government securities not liable for amount thereof

4. Notwithstanding anything contained in the Negotiable Instruments Act, 1881, a person shall not, by reason only of his having transferred a Government security, be liable to pay any money due either as principal or as interest thereunder.

Holding of Government securities by holders of public offices

5. (1) In the case of any public office to which Government may, by notification in the official Gazette, declare this sub section to apply, a Government security in the form of stock or of a promissory note may be held in the name of the office.

(2) When a Government security is so held, it shall be deemed to be transferred without any or further endorsement or transfer deed from each holder of the office to the succeeding holder of the office on and from the date on which the latter takes charge of the office.

(3) When the holder of the office transfers to a party not being his successor in office a Government security so held, the transfer shall be

made by the signature of the holder of the office and the name of the office in the manner and subject to the conditions laid down in section 3.

(4) This section applies as well to an office of which there are two or more joint holders as to an office of which there is a single holder.

Notice of trust not receivable

6. (1) No notice of any trust in respect of any Government security shall be receivable by Government, nor shall Government be bound by any such notice even though expressly given, nor shall Government be regarded as a trustee in respect of any Government security.

(2) Without prejudice to the provisions of sub section (1), the Bank may, as an act of grace and without any liability to the Bank or to Government, record in its books such directions by the holder of stock for the payment of interest on, or of the maturity value of, or the transfer of, or such other matters relating to, the stock as the Bank thinks fit.

Persons whose title to a Government security of a deceased sole holder may be recognised by the Bank

7. Subject to the provisions of section 9 the executors or administrators of a deceased sole holder of a Government security and the holder of a succession certificate issued under Part X of the Succession Act, 1925, shall be the only persons who may be recognised by the Bank as having any title to the Government security:

Provided that nothing in this section shall bar the recognition by the Bank of the manager or the sole surviving male member of a Hindu undivided family governed by the Mitakshara Law as having a title to a Government security, when the security appears to the Bank to stand in the name of a deceased member of the family and an application is made by such manager or sole surviving member for recognition of his title and is supported by a certificate signed by such authority and after such inquiry as may be prescribed to the effect that the deceased belonged to a Hindu undivided family governed by the Mitakshara Law, that the Government security formed part of the joint property of the family, and that the applicant is the managing or sole surviving male member of the family.

Right of survivors of

**Joint
holders or
several
payees**

8. Notwithstanding anything contained in section 45 of the Contract Act, 1872,-

(a) when a Government security is held by two or more persons jointly and either or any of them dies, the title to the security shall vest in the survivor or survivors of those persons, and

(b) when a Government security is payable to two or more persons severally and either or any of them dies, the security shall be payable to the survivor or survivors of those persons or to the representative of the deceased or to any of them:

Provided that nothing contained in this section shall affect any claim which any representative of a deceased person may have against the survivor or survivors under or in respect of any security to which this section applies.

Explanation. For the purposes of this section a body incorporated under the Companies Act, 1913, or the

⁵[Co operative Societies Act, 1940], or any other enactment for the time being in force whether within or without Bangladesh, relating to the incorporation of associations of individuals, shall be deemed to die when it is dissolved.

**Summary
procedure
on death of
holder of
Government
securities**

9. Notwithstanding anything contained in section 7, if within six months of the death of a person who was the holder of a Government security or securities the face value of which does not in the aggregate exceed five thousand Taka or, in the case of Post Office Savings Certificates, twenty five thousand Taka, probate of his will or letters of administration of his estate or a succession certificate issued under Part X of the Succession Act, 1925, is not produced to the Bank, or proof to the satisfaction of the Bank that proceedings have been instituted to obtain one of these is not furnished, the Bank may determine who is the person entitled to the security or securities, or to administer the estate of the deceased and may make an order vesting the security or securities in the person so determined.

Government securities not exceeding five thousand Taka face value belonging to minor or insane person

10. When a Government security or securities belong to a minor or a person who is insane and incapable of managing his affairs and the face value of the security or securities does not in the aggregate exceed five thousand Taka, the Bank may make such order as it thinks fit for the vesting of such security or securities in such person as it considers represents the minor or insane person.

Issue of duplicate securities and of new securities on conversion, consolidation, sub-division or renewal

11. (1) If the person entitled to a Government security not being security in a form notified in pursuance of paragraph (iv) of sub-clause (a) of clause (2) of section 2, applies to the Bank alleging that the security has been lost, stolen or destroyed, or has been defaced or mutilated, the Bank may, on proof to its satisfaction of the loss, theft, destruction, defacement or mutilation of the security, subject to such conditions and on payment of such fees as may be prescribed, order the issue of a duplicate security payable to the applicant.

⁶[(1A) If a Government security in any of the forms notified in pursuance of paragraph (iv) of sub clause (a) of clause (2) of section 2 has been defaced or mutilated, the holder thereof may, in such manner, and subject to such conditions and on payment of such fees, if any, as may be notified by Government, apply for the issue of a duplicate security, or for the refund of its value.]

(2) If the person entitled to a Government security applies to the Bank to have the security converted into a security of another form, or into a security issued in connection with another loan or to have it consolidated with other like securities, or to have it subdivided, or to have it renewed, the Bank may, subject to such conditions and on payment of such fees as may be prescribed, cancel the security and order the issue of a new security or securities.

(3) The person to whom a duplicate security or a new security is issued under this section shall be deemed for the purposes of section 19 to have