

# ACT

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## THE SIERRA LEONE STUDENTS' LOAN SCHEME ACT, 2021

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## PART I – PRELIMINARY

Interpretation.

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

"accredited institution" includes tertiary institutions accredited by the Tertiary Education Commission;

"Board of Trustees" means the governing body of the Scheme established under section 2;

"borrower" means a student who lends money from the scheme;

"eligible student" means a student who is a citizen of Sierra Leone pursuing accredited tertiary programmes in an accredited tertiary institution, entitled or qualified for a loan under this Act;

"employer" includes an individual, a body corporate, a body of persons that is not a body corporate, an

"guarantor" means a person who is meaningfully or gainfully employed or has the capacity to provide collateral engagement to pay for debt/default/miscarriage of a borrower.

"institution" means, licenced body, a registered professional body and any other body or organization that employs a borrower and from which information in respect of a borrower may be obtained;

"Fund" means the Sierra Leone Students' Loan Scheme Fund established under section 2;

"Minister" means the Minister responsible for Technical and Higher Education;

"Scheme" means the Sierra Leone Students' Loan Scheme to finance loans to students for personal expenses under section 2;

"scholarship" includes a bursary, award or grant;

"Tertiary Education Commission" means the Tertiary Education Commission established under section 2 of the Tertiary Education Commission Act, 2001 (Act No 8 of 2001);

"tertiary educational institution" means an institution, including a university, university college, polytechnic, training college or technical institute that provides post-secondary school education through courses of instruction leading to the granting of certificates, diplomas or degrees.

## PART II - ESTABLISHMENT OF THE SIERRA LEONE STUDENTS' LOAN SCHEME FUND.

2. There is hereby established the Sierra Leone Students' Loan Scheme Fund which shall be used to finance loans to students for personal expenses, including fees, cost of boarding or lodging, books, equipment and other purposes that may be necessary for students under the Sierra Leone Students' Loan Scheme. Establishment of Students' Loan Scheme Fund.

## PART III - THE SIERRA LEONE STUDENTS' LOAN SCHEME FUND BOARD OF TRUSTEES.

3. (1) The Fund shall be a body corporate having perpetual succession and capable of acquiring, holding and disposing of any property, whether movable or immovable, of entering into contract and of suing and being sued in its corporate name and subject to this Act, of performing all such acts as bodies corporate may by law perform. The Fund and its Common Seal.

(2) The Fund shall have a common seal, the use of which shall be authenticated by the signatures of the

- (a) the Chairman or other member authorised either generally or specially by the Board in that behalf;
- (b) the Chief Executive Officer or some other person authorised by the Board in that behalf;  
or

- (c) any two of its members authorised by resolution of the Board to act in that behalf.

Board of Trustees.

4. (1) The Governing Body of the Fund shall be a Board of Trustees in which shall be vested the Sierra Leone Students' Loan Scheme Fund.

(2) Subject to this Act, the Board shall have control and supervision of the Fund

Composition of the Board of Trustees.

5. (1) The Board of Trustees shall consist of a Chairman and the following other members-

- (a) one representative each, not below the rank of Director, from the following Ministries, Departments and Agencies-
- (i) the Ministry of Technical and Higher Education;
  - (ii) the Ministry of Labour;
  - (iii) the National Social Security and Insurance Trust;
  - (iv) the Tertiary Education Commission;
  - (v) the Ministry of Finance;
  - (vi) the National Youth Service
  - (vii) the Conference of Vice Chancellors and Principals
- (b) one representative of Students' Union of Tertiary Institutions, nominated on a rotational basis for a term of 1 year only;
- (c) one investment and financial management specialist nominated by the Minister; and

- (d) the Chief Executive Officer, who shall be secretary to the Board of Trustees.

(2) The Chairman and non-statutory members representing each of the Regions as may be established by Parliament at least three (3) of whom shall be women of the Board of Trustees shall be appointed by the President on the recommendation of the Minister subject to the approval of Parliament.

6. Notwithstanding the generality of section (4), the Board of Trustees shall be responsible to- Functions of the Board of Trustees.

- (a) provide such policy guidance and advice as may be required to ensure the efficient implementation and enhance the overall performance of the Scheme;
- (b) monitor and evaluate the operations and performance of the Scheme;
- (c) institute appropriate management and reporting procedures to ensure accountability of the Scheme;
- (d) establish effective and efficient processes and procedures for the disbursement of loans and recovery of loans;
- (e) provide guidelines that will ensure fairness in the disbursement of loans and the application of the Scheme;
- (f) determine -
  - (i) the terms under which money from the Scheme will be allocated to eligible students;
  - (ii) the maximum amount of money that may be granted to an applicant under the Scheme;

(iii) the method and type of investment of funds of the Scheme; and

(g) perform any other functions that are incidental to the achievement of the object of the Scheme.

Meetings of Board of Trustees.

7. (1) The Board of Trustees shall meet at least once every 3 months for the dispatch of business at a time and place determined by the Chairman.

(2) The Chairman shall at the request in writing of not less than one-third of the membership of the Board of Trustees convene an extraordinary meeting of the Board of Trustees.

(3) The quorum at a meeting of the Board of Trustees shall be 7.

(4) The Chairman shall preside at meetings of the Board of Trustees and in his absence, a member of the Board of Trustees elected by the members present from among their number shall preside.

(5) Matters before the Board of Trustees shall be decided by a majority of the members present by voting and in the event of an equality of votes, the Chairman or person presiding shall have a casting vote.

Disclosure of interest.

8. (1) A member of the Board of Trustees who has an interest, whether direct or indirect in any matter being considered or to be considered by the Board of Trustees, shall disclose the nature of his interest to the Board of Trustees and the disclosure shall be recorded in the minutes of the Board of Trustees and such member shall not take part in any deliberation or decision of the Board of Trustees relating to that matter.

(2) A member of Board of Trustees who contravenes subsection (1) shall be guilty of misconduct and shall be removed from the Board of Trustees.



9. (1) Action or other proceedings shall not lie or be instituted against a member of the Board of Trustees in respect of any act or thing done in good faith or omitted to be done in the exercise of his functions under this Act. Immunity of members.

(2) A member of the Board of Trustees shall not be personally liable for any debt or obligation of the Board of Trustees.

10. The Chairman and the other members of the Board of Trustees shall be paid such remuneration, fees or allowances approved by the Minister and shall be reimbursed by the Board of Trustees for expenses incurred in connection with the discharge of their functions as the Board of Trustees may, with the approval of the Minister, determine. Remuneration of members.

11. The Chairman and members appointed under section 5 shall hold office for a period of three (3) years and shall be eligible for reappointment for another three (3) years only. Tenure of Board of Trustees.

#### PART IV—ADMINISTRATION OF THE SIERRA LEONE STUDENTS' LOAN SCHEME FUND.

12. (1) The Scheme shall be administered by the Chief Executive Officer who shall be appointed by the President on the recommendation of the Minister, subject to the approval of Parliament, on such terms and conditions as may be specified in the letter of appointment. Chief Executive Officer.

(2) The Chief Executive Officer shall be answerable to the Board of Trustees and shall be responsible for -

- (a) the day to day administration of the affairs of the Scheme;
- (b) any other functions determined by the Board of Trustees;
- (c) serve as secretary to the Board without voting rights.

Other staff.

13. In the performance of its functions under this Act, the Chief Executive Officer shall be supported by such other staff as may be necessary for the proper and effective performance of the functions of the Scheme, including a Finance Officer, Administrative Officer, Internal Auditor and other technical and administrative staff.

## PART V- FINANCIAL PROVISIONS

Funds of the Fund.

14. (1) The funds of the Fund shall consist of-

- (a) moneys appropriated by Parliament for the purposes of the Fund;
- (b) all moneys given to the Fund by way of gifts, endowments, bequest, grant or other contributions by persons and organisations for the purposes of the Fund;
- (c) revenue generated from the Scheme;
- (d) private investment and donations;
- (e) foreign aid and assistance from donor agencies; and
- (f) all other moneys which may, from time to time, accrue to the Fund.

(2) The funds of the Fund shall be applied only for the purposes of the approved budget of the Fund.

Accounts and audit.

15. (1) The Chief Executive Officer shall keep proper books of account and other records in relation to the activities, property and finances of the Fund in a form approved by the Auditor-General, and shall prepare in respect of each financial year, a financial statement which shall include-

- (a) balance sheet accounts;
- (b) income and expenditure accounts; and
- (c) source and application of funds.

(2) The accounts of the Fund kept under subsection (1) shall, not later than 2 months after the end of each financial year, be audited by the Auditor-General or an auditor appointed by him.

(3) For the purposes of subsection (2), the Auditor-General or the auditor appointed by him shall be entitled to have access to all books of account, vouchers and other financial records of the Fund and to require such information and explanation thereon as he may think fit.

(4) The Chief Executive Officer shall provide the Auditor-General or the auditor appointed by him with all necessary and appropriate facilities for the examination of the accounts and records of the Fund.

(5) The Auditor-General or the auditor appointed by him shall submit to the Fund a report on the audited accounts and the financial statements referred to in subsection (1) and shall, in his report draw attention to -

- (a) irregularities in the accounts;
- (b) matters that are likely to adversely affect the operations of the Fund; and
- (c) any other matter which, in his opinion, ought to be brought to the notice of the Board of Trustees.

16. The financial year of the Fund shall be the same as the financial year of the Government. Financial year of the fund.

17. (1) The Chief Executive Officer shall, through the Chairman, Board of Trustees, submit to the Minister, within 3 months after the end of the financial year, a report on the performance of the Fund during that year. Annual report of the fund.

(2) The annual report shall include the accounts and annual financial statement prepared under section 15 and the report of the audit thereon.

(3) The Minister shall lay copies of the annual report before Parliament within 2 months after he has received the report.

(4) The Board of Trustees shall make copies of the report available to all stakeholders once it has been laid before Parliament.

#### PART VI - OPERATION OF THE SIERRALEONE STUDENTS' LOAN SCHEME FUND

Disbursement from Fund. 18. The Board of Trustees shall authorise the disbursement of loans from the Fund, by the Chief Executive Officer, to finance successful loan applications under this Act, for students pursuing accredited tertiary courses or programmes in accredited tertiary institutions.

Application for loan. 19. (1) A person who wish to apply for a loan from the Fund shall complete and submit to the Chief Executive Officer, an application in such form as may be prescribed by the Board of Trustees.

(2) On the receipt of an application under subsection (1), the Board of Trustees may conduct an investigation on the applicant or request the applicant to submit such document or other information as it considers necessary for the determination of the application.

Disposal of application. 20. (1) Where the Board of Trustees makes a determination on an application for a loan, it shall -

- (a) grant the application, if it is satisfied that the applicant has fulfilled the requisite conditions, and funds are available in the Fund to finance the course or programme; or
- (b) refuse to grant the request, where it determines that the applicant is ineligible for a loan under this Act.

(2) An applicant dissatisfied with the decision of the Board of Trustees under paragraph (b) of subsection (1) in respect of an application may appeal to the Minister for a review of the decision through an independent Appeal Committee.

21. A person is not eligible for a loan under this Act where, on admission into an accredited tertiary institution or during the course of studies in the institution, he obtains a Scholarship or Grant-in -Aid from the Government or from a public or private funded source.

Eligibility for loan.

22. (1) A tertiary educational institution shall inform the Fund of any scholarship made to a student in a tertiary institution in Sierra Leone not later than one month after the award of the scholarship.

Disclosure of information on scholarship.

(2) The information to be provided under subsection (1) shall include the name of the student, the name of the institution and amount of the scholarship, award, bursary or grant.

(3) The Board of Trustees may issue a demand notice to a private or public entity to provide information on a scholarship, award, bursary or grant made to a student in a tertiary institution in Sierra Leone.

23. The Board of Trustees shall decide, subject to this Act,-

Conditions to be attached to loan.

- (a) interest to be charged on loans;
- (b) fees and charges for the processing of applications;
- (c) security or guarantee to be attached to a loan.

24. (1) The Board of Trustees may, in writing, request information from a borrower, guarantor or government agency, including information of-

Board may request information.

- (a) name;
- (b) occupation;
- (c) residential and postal address;
- (d) work place and address;

- (e) telephone number;
- (f) e-mail address;
- (g) national identification number;
- (h) health insurance number; and
- (i) National Social Security and Insurance Trust number or any other recognised national pension scheme number.

(2) Information requested by the Board of Trustees under subsection (1) shall be provided not later than 30 days after receipt of the request in writing.

Borrower to provide information.

25. (1) A borrower shall notify the Board of Trustees, in writing, of a change of -

- (a) his residential, postal or business address and other contact
- (b) the name and business address of his employer or guarantor; and
- (c) his salary and particulars,

that the Board of Trustees may reasonably request at any time until the loan is fully repaid.

(2) Except where the borrower is self-employed, the borrower shall also notify the employer, in writing, of any obligation in respect of the loan.

Employer to deduct loan re-payment from salary.

26. (1) An employer may employ a person who has had Tertiary Education in Sierra Leone but shall verify whether-

- (a) is a borrower from the Fund; or
- (b) had made full re-payment of the loan.

(2) Notwithstanding subsection (1), where an employer has proof that an employee has not fully repaid a loan from the Fund, he shall make monthly deductions from the salary of the employee in accordance with the agreed monthly repayments between the Fund and the borrower and shall pay the deduction into the Fund not later than 15 days after the deduction.

(3) An employer who makes monthly deductions from the salary of an employee under subsection (2) but fails to pay the deductions into the Fund within the 15 days period, is liable to pay interest on the amount deducted at the prevailing interest rate plus 5 percent as penalty.

27. (1) Where a borrower defaults in repaying a loan for 3 consecutive months, the Board of Trustees shall send notice to make payment to the borrower or guarantor at their last known place of abode or address and publish twice in a widely circulated daily newspaper and any other media outlet. Recovery of loan.

(2) Where the borrower or guarantor fails to repay or make satisfactory arrangement to repay the loan, after a notice to make payment under subsection (1) has been sent, the Board of Trustees shall publish the name of the borrower or the guarantor in a widely circulated daily newspaper and any other media outlet stating the amount owed and demand that the amount owed should be paid within one month after the publication. Failure to do so is an admission of the debt and it shall be deemed that judgment on the amount in addition to costs of 5 percent of the debt has been entered by a Court against the borrower and guarantor.

(3) The Board of Trustees shall, without further notice to the borrower or guarantor, proceed to execute or enforce the judgment for recovery of the loan or outstanding balance.

28. A borrower who repays a loan granted by the Board of Trustees under this Act, in full, shall be issued with a certificate of payment within 14 days after payment and the certificate shall be conclusive evidence of full payment of the loan. Certificate of payment.

29. Where a person to whom a loan to pursue a programme in an accredited tertiary institution, is granted under this Act, Effect of withdrawal or dismissal.

- (a) withdraws from the programme without reasonable excuse; or
- (b) is dismissed from the institution,

he shall, notwithstanding, not be absolved of his responsibility to pay the loan.

Students' loan protection arrangement:

30. (1) A borrower may subscribe to a students' loan protection arrangement that may indemnify him against payment of outstanding debt to the Fund as a result of death or permanent disability.

(2) loan protection arrangement under subsection (1), shall cover the duration of the loan.

#### PART VII- OFFENCES

Submission of incorrect information.

31. (1) A borrower, guarantor and employer who intentionally provides false information to scheme commits an offence and is liable on conviction to a fine not exceeding Le 20,000,000 or to term of imprisonment not exceeding two (2) years or to both fine and imprisonment.

(2) Any borrower who fails to comply with the provisions contained in clause 25 commits an offence and is liable on conviction to a fine not exceeding Le 10,000,000 or to term of imprisonment not exceeding two (2) years or to both fine and imprisonment.

(3) A Tertiary Education Institution which fails to disclose information or discloses false information after the issuance of a demand notice by the Board of Trustees under section 22 commits an offence and is liable on conviction to a fine not exceeding L 20,000,000.

Failure to repay Loan.

32. (1) Any borrower who fails to adequate arrangement after three (3) months to service the loan after gainful employment or income generating activity commits an offence and is liable on conviction to a fine not exceeding Le 5,000,000 for undergraduate loan and a fine not exceeding Le 10,000,000 for postgraduate loan.



- (2) Employer who intentionally fails to;
  - (i) deduct from source of an employee indebted to the scheme;
  - (ii) or does, but fails to deposit loan repayment amount as specified in clause 26

commits an offence and is liable on conviction to a fine not exceeding Le 20,000,000 or to a term of imprisonment not exceeding two (2) years or to both fine and imprisonment.

(3) There shall be imposed upon a borrower an interest not exceeding 0.02% of the agreed monthly repayment cost as penalty for late payment.

(4) Where a borrower defaults in repaying a loan for three (3) consecutive months, there shall be imposed a monthly interest of 0.02% and the guarantor shall be liable to pay both the interest and the principal to the fund. If the guarantor, for another three (3) consecutive months fails to repay both the interest and principal, the collateral in place shall be disposed of to settle the amount payable to the fund.

33. (1) A guarantor failing to provide the right collateral or of meaningful value with the intent to defraud the scheme commits an offence and is liable on conviction to a fine not exceeding Le 30,000,000 or to a term of imprisonment not exceeding two (2) years or to both fine and imprisonment. Defrauding of the scheme.

- (2) Any person;
  - (i) with intent to defraud the fund by providing false information on or through other dubious means;
  - (ii) aiding and abetting a borrower/guarantor to defraud the loan scheme

commits on conviction is liable to a fine not exceeding Le 20,000,000 or to a term of imprisonment not exceeding two (2) years or to both fine and imprisonment.

#### PART VIII- MISCELLANEOUS PROVISION

Regulations. 34. The Minister may, after consultation with the Board of Trustees, by statutory instrument, make Regulations as he considers necessary or expedient for giving effect to this Act.

Passed in Parliament this *2nd day of November*, in the year of our Lord two thousand and Twenty One.

PARAN UMAR TARAWALLY,  
*Clerk of Parliament.*

THIS PRINTED IMPRESSION has been carefully compared by me with the Bill which has passed Parliament and found by me to be a true and correct printed copy of the said Bill.

PARAN UMAR TARAWALLY,  
*Clerk of Parliament.*