

No. 20 OF 1930.

A.D. 1930. TO DECLARE THE TERMS AND CONDITIONS APPLICABLE
 20 of 1930. TO LOANS AUTHORISED TO BE RAISED BY THE GOVERNMENT OF CYPRUS, AND TO PROVIDE FOR THE CREATION OF INSCRIBED STOCK.

RONALD STORRS.]

[May 13, 1930.]

BE it enacted:—

WHEREAS it is expedient to define in one Law the terms and conditions applicable to loans hereafter authorised to be raised by the Legislature of the Colony of Cyprus:

AND WHEREAS it is expedient to provide for the creation of inscribed stock, and to enable the Colony to take advantage of the provisions of an Act of the Imperial Parliament entitled "The Colonial Stock Act, 1877," and the subsequent Acts on the same subject:

Short title.

1. This Law may be cited as the General Loan and Inscribed Stock Law, 1930.

Interpretation.

2. In this Law, unless the context otherwise requires

The expression "Governor" means the person for the time being administering the Government of Cyprus;

The expression "Crown Agents" means the person or persons for the time being acting as Crown Agents for the Colonies in England.

Loans to be raised by debentures or inscribed stock.

3. Whenever by any Law authority shall have been given, or shall hereafter be given, to raise any sum of money for the purposes mentioned in such Law, the Governor, or the Crown Agents acting on his behalf, may, from time to time, as he or they may deem expedient, raise such sum either by debentures or by Cyprus inscribed stock, or partly by debentures and partly by inscribed stock.

Loans to be a charge upon general revenue.

4. The principal moneys and interest represented by the debentures or inscribed stock issued under the provisions of this Law are hereby charged upon and shall be payable out of the general revenues and assets of the Colony of Cyprus.

5. When the Governor, or the Crown Agents acting on his behalf, shall deem it expedient to raise money by debentures, such debentures shall be issued in London on behalf of the Government of Cyprus by the Crown Agents, upon the best and most favourable terms that can be obtained, and shall be signed by any one of them on that behalf. Borrowing upon debentures.
6. Every debenture issued under the provisions of this Law shall be for the sum of not less than one hundred pounds sterling. Amount of each debenture.
7. The debentures shall be redeemable at par at the option of the Government by purchase in the market or by annual drawings, or on a date to be named in that behalf by the Governor, or by the Crown Agents acting on his behalf, as determined when issuing the debentures, such date not being later than sixty years from the date of issue, from and after which date all interest on the principal money represented thereby shall cease and determine, whether payment of the principal shall have been demanded or not. Debentures may be redeemed by annual drawings or by purchase in the market on a date fixed.
8. There shall be attached to every debenture coupons for the payment of the interest to become due in each half-year upon the principal represented by the debenture. The coupons shall be sufficient in number to provide for the payment of the interest, either during the whole period for which the debenture has to run, or for such limited period as the Crown Agents, acting on behalf of the Government of Cyprus, may determine. Interest coupons.
9. The debentures and the coupons thereto shall be in such form as the Governor, or the Crown Agents acting on his behalf, may direct or approve. Form of debenture and coupons.
10. Every debenture and coupon, and the right to receive the principal and interest represented thereby, shall be transferable by delivery. Debentures and coupons transferable by delivery.
11. Every debenture shall, before being issued, be registered in a register book to be kept for that purpose at the office in London of the Crown Agents. Registry of debentures.
12. The interest upon the principal represented by each debenture shall run from the day named in that behalf in the debenture, and shall be paid half-yearly on the days named in that behalf in the debenture, at the office in London of the Crown Agents. Payment of interest.

Mode of providing for payment of interest on debentures.

13. So long as any of the debentures remain outstanding, the Governor shall, in each half-year ending with the day on which the interest on the debentures falls due, appropriate out of the general revenues and assets of the Colony of Cyprus a sum equal to one half-year's interest on the whole of the debentures issued, including any which may have been redeemed, but exclusive of any which may have been at any time exchanged for inscribed stock, and shall remit that sum to the Crown Agents at such times as will enable them to pay thereabout the then current half-year's interest on the day on which it falls due. Debentures shall not be deemed to be outstanding for the purpose of this Law by reason only that one or more of the debentures have not been presented for payment on the day appointed for payment and have, in consequence, not been paid.

Further sums to be remitted for the redemption of the debentures.

14. After the date specified in the Law authorising the loan as that on which the contributions to the sinking fund shall commence, the Governor shall, in each half-year ending as aforesaid, appropriate out of the said revenues and assets of the Colony of Cyprus, for the formation of a sinking fund, an additional sum equal to one half of the annual contribution specified in the prospectus or, in the case of a loan not issued publicly, in the terms of issue relating to the loan, in respect of the total nominal amount of all the debentures issued, including any which may have been redeemed, but exclusive of any which may have been at any time exchanged for inscribed stock, and shall remit that sum to the Crown Agents with the remittance hereinbefore mentioned.

Application of sinking fund.

15. The sinking fund shall be applied in the first place in payment of all expenses of, or incidental to, the redemption of the debentures and the cost and expenses of all notices required by this Law to be given, and in the next place, and subject to the aforesaid payments, in repayment of the principal moneys for the time being represented by the debentures.

Creation of sinking fund for redemption of debentures payable on a fixed date.

16. In the case of debentures redeemable on a date to be named when issuing the debentures, the Crown Agents shall invest so much of the money so remitted to them as aforesaid as shall not be required for the payment of interest for the current half-year in the purchase of such securities as may be approved by His Majesty's Principal Secretary of State for the Colonies as a sinking fund

for the final extinction of the debt, and the Crown Agents shall also invest the dividends, interest, or produce of such investments in the purchase of like securities and may, from time to time, with the approval of the Secretary of State, change any such investments and shall hold such fund in trust for the repayment of the principal moneys for the time being represented by the debentures.

17. In the case of debentures redeemable by annual drawings, the Crown Agents shall place and keep the moneys so remitted to them, or so much thereof as may not be required for immediate payments, at interest, and shall hold all such moneys and the accumulations thereon in trust, to apply them in the first place to the purchase of the debentures when they can be obtained at a price not exceeding par and, secondly, to the redemption of the debentures by means of annual drawings.

Disposal of sinking fund when debentures are redeemed by purchase or by annual drawings.

18. After the date specified in the Law authorising a loan as that on which the contributions to the sinking fund shall commence in respect of that loan, and so long thereafter as any of the debentures remain outstanding and unsatisfied, the Crown Agents shall, in every year, unless the whole of the money applicable in that year to the redemption of debentures has been applied in the purchase thereof, appoint a day in that year for the drawing by lot of the debentures to be redeemed.

Appointment of day for drawing of debentures.

19. If a day is appointed for drawing, the Crown Agents shall give, by advertisement in the London "Times" newspaper, not less than fifteen days' previous notice, specifying the day on which, and the hour and place at which, the drawing will take place.

Notice of time and place appointed for drawing.

20. On the day and at the hour and place so specified the Crown Agents shall hold a meeting, at which the holder of any debenture may, if he thinks fit, be present, and shall then in the presence of such debenture holders, if any, as may attend, and of a notary public, draw by lot, out of the whole number of debentures for the time being outstanding, debentures of the specified nominal amount.

Mode of drawing.

21. The Crown Agents shall thereupon declare the distinguishing numbers of the debentures drawn for redemption, and shall, as soon as may be, by advertisement in the London "Times" newspaper, specify those numbers and appoint a day, not being later as to each debenture

Notice of debentures drawn for redemption.

than the day on which the then current half-year's interest thereon is payable, on which the principal moneys represented by the debentures so distinguished will be repaid.

Payment of
drawn
debentures.

22. On the day so appointed the Crown Agents shall, at their office in London, on demand, pay to the holders of the debentures drawn for repayment the principal money represented by those debentures, with all interest payable thereon up to that day.

Cesser of
interest
from day
appointed
for payment
of principal.

23. From and after the day appointed for the repayment of any debenture all interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal shall have been demanded or not.

Redeemed
debentures
to be
cancelled.

24. Upon the repayment of the principal moneys represented by any debenture, the debenture, with all the coupons thereunto belonging, shall be delivered up to the Crown Agents, to be by them cancelled and forwarded to the Government of Cyprus. Any debenture redeemed by purchase shall likewise be so cancelled and forwarded.

Borrowing
upon
inscribed
stock.

25. When the Governor, or the Crown Agents acting on his behalf, shall deem it expedient to raise money by the issue of Cyprus inscribed stock, then such stock shall be issued in England by the Crown Agents under the provisions of the Act of the Imperial Parliament entitled "The Colonial Stock Act, 1877," upon the best and most favourable terms that can be obtained.

When the
principal is
to be repaid.

26. All the inscribed stock which may be created under the provisions of this Law shall be redeemable at par on a date to be named in that behalf by the Crown Agents when issuing the stock, such date not being later than sixty years from the date of issue, from and after which date all the interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal shall have been demanded or not.

Mode of
providing for
the payment
of interest
on inscribed
stock.

27. So long as any of the inscribed stock shall remain unredeemed, the Governor shall, in each half-year ending with the day on which the interest on such inscribed stock falls due, appropriate out of the general revenues and assets of the Colony a sum equal to one half-year's interest on the whole of such inscribed stock, and shall remit that sum to the Crown Agents at such time as will enable them to pay thereout the then current half-year's interest on the day when it falls due.

28. After the date specified in the Law authorising an issue of inscribed stock as that on which the contribution to the sinking fund shall commence, the Governor shall further appropriate out of the said revenues and assets in each half-year ending as aforesaid for the formation of a sinking fund an additional sum equal to one half of the annual contribution specified in the prospectus or, in the case of a loan not issued publicly, in the terms of issue relating to the loan, in respect of the total nominal amount of such inscribed stock, and shall remit that sum to the Crown Agents with the remittance hereinbefore mentioned.

Mode of providing for payment of principal of inscribed stock.

29. The Crown Agents shall, for the purpose of forming such sinking fund, from time to time invest so much of the money so remitted to them as aforesaid as shall not be required for the payment of interest for the current half-year in the purchase of such securities as may from time to time be approved by His Majesty's Principal Secretary of State for the Colonies, and shall also invest the dividends, interest, or produce of such investments in purchase of like securities, and may from time to time, with the approval of the Secretary of State, change any such investments, and shall hold such fund in trust for repayment of the principal moneys for the time being represented by the inscribed stock.

Creation of sinking fund.

30. In case the sinking funds provided for by this Law shall be insufficient for the repayment of all the principal moneys borrowed under the authority of this Law at the time the same shall have become due, the Governor shall make good the deficiency out of the general revenues and assets of the Colony of Cyprus.

Charge upon general revenue.

31. All expenses of or incidental to the management of the sinking fund, or to the payment of the principal moneys borrowed, shall be paid out of the sinking fund.

Expenses to be paid out of sinking fund.

32. The Governor shall also have, and may from time to time exercise, the following powers and authorities or any of them:—

Powers of Governor.

(a) He may authorise the Crown Agents when issuing any loan in the form of debentures to declare that such debentures will be convertible into inscribed stock at such dates and on such terms and conditions as may be prescribed by the Crown Agents at the time of the issue of the debentures.

Debentures convertible into inscribed stock on conditions prescribed by the Crown Agents at time of issue.

Conversion of loans generally.

(b) He may declare all or any of the Cyprus loans, whether existing in the form of stock or debentures, to be convertible into inscribed stock, to be issued under the provisions of this Law.

Creation and issue of stock in exchange for other securities.

(c) He may authorise the creation and issue of such an amount of inscribed stock in exchange for the securities held for such loans as may be necessary.

Creation and sale of inscribed stock or debentures to raise loans and for other purposes, Arrangements for conversion.

(d) He may authorise the creation and sale of any such inscribed stock or debentures for the purpose of raising money for redeeming any outstanding loans, for paying any expense in the creation of inscribed stock, and otherwise for carrying out the provisions of this Law.

(e) Any conversion so authorised may be effected either by an arrangement with the holders of existing securities or by purchase thereof out of moneys raised by the sale of inscribed stock, or partly in one way and partly in the other.

Exchange of securities for inscribed stock.

33. Nothing in this Law contained shall authorise an increase of the capital or of the annual charge on any loan, except :—

(a) When securities exchanged for inscribed stock bear a rate of interest not less than the inscribed stock, an additional amount of inscribed stock may be created and issued to make up the difference in saleable value between the securities and the inscribed stock.

(b) In the case of conversion of securities into inscribed stock the Crown Agents shall issue such an amount of inscribed stock as may be required to defray the stamp duties and all other expenses incidental to the conversion.

(c) In accordance with such terms and conditions as may be prescribed under section 32 (a) of this Law.

Converted securities to be cancelled.

34. The securities exchanged or otherwise converted into inscribed stock under the provisions of this Law shall be forthwith cancelled by the Crown Agents, and the debentures surrendered shall be cancelled and transmitted to the Governor of Cyprus.

Trustees to apportion amount of sinking fund released by conversion.

35. The Trustees of the sinking fund appointed under this Law, and acting under any law authorising the issue of any securities which may be exchanged into inscribed stock or cancelled or purchased under the provisions of this Law, shall determine what amount of the sinking fund held by them and created for repayment of such

securities shall be released, and in the determination of such question the trustees shall take into consideration the value of the whole investments held by them on account of such sinking funds, the amount of the debt remaining a charge on such sinking funds, and such matters as the trustees may think fit to take into account.

36. So much of the sinking funds as may be released shall either be transferred unto the trustees of the inscribed stock sinking fund, or be disposed of in such a manner as the Governor with the advice and consent of the Legislative Council may direct.

Sinking funds released, how to be disposed of.

37. The Crown Agents may from time to time, at the request of the Governor, make arrangements for all or any of the following things:—

Creation, inscription, issue, conversion and transfer of inscribed stock

(a) For inscribing stock in their books.

(b) For managing the creation, inscription, and issue of inscribed stocks.

(c) For effecting the conversion of loans into inscribed stock.

(d) For paying interest on inscribed stock and managing the transfers thereof.

(e) For issuing inscribed stock certificates to bearer, and, as often as occasion shall require, re-inscribing them.

38. This Law shall be applicable only to the raising of loans in England, and nothing in this Law contained shall prevent the raising of loans in the Colony of Cyprus upon such terms and conditions as shall be specified in any Law authorising the raising of such loans.

Raising of loans in the Colony.

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