

CYPRUS

**AGRICULTURAL BANK
(SPECIAL PRIVILEGES)**

CHAPTER 122 OF THE LAWS

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1959

CHAPTER 122.

AGRICULTURAL BANK (SPECIAL PRIVILEGES).

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A LAW TO CONFER UPON THE AGRICULTURAL BANK OF CYPRUS LIMITED SPECIAL PRIVILEGES IN REGARD TO CERTAIN LOANS MADE BY THE BANK TO CO-OPERATIVE SOCIETIES AND TO LOANS WHICH MAY BE MADE BY THE BANK TO MEMBERS OF SUCH SOCIETIES AND TO MAKE PROVISION FOR THE ASSIGNMENT TO THE BANK OF LOANS MADE BY GOVERNMENT TO SUCH SOCIETIES AND FOR OTHER MATTERS RELATING THERETO.

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Cap. 188.
24 of 51.

[17th March, 1939.]

Short title.

1. This Law may be cited as the Agricultural Bank of Cyprus Limited (Special Privileges) Law.

Interpretation.

2. In this Law—

“Agricultural Bank” means the Agricultural Bank of Cyprus Limited, a company incorporated under the Companies (Limited Liability) Laws, 1922 to 1938, whose registered office is situated at Nicosia in the Colony;

“ Co-operative Society ” means a society formed under the provisions of the Co-operative Societies Law. Cap. 114

3. (1) Where under the provisions of the Agricultural Bank Law, and of the Land Registry (Agricultural Bank) Regulations, made thereunder—

- Special provisions applicable to loans made by the Agricultural Bank to Co-operative Societies. Cap. 118.
- (a) a Co-operative Society has obtained a loan from the Agricultural Bank ; and
 - (b) such Co-operative Society has by a bond agreed to tender to the Agricultural Bank, as security for the due repayment of such loan, mortgages of immovable property which have been given to such Co-operative Society by its members and have been registered in favour of such Co-operative Society in the books of the District Lands Office ; and
 - (c) such tender has been registered in the books of the District Lands Office in favour of the Agricultural Bank ; and
 - (d) any sum of money on such bond is, on the date of the commencement of this Law, outstanding and remaining unpaid to the Agricultural Bank by such Co-operative Society,

the Agricultural Bank shall, as soon as conveniently may be after the commencement of this Law, by sending a notice in the prescribed form to the District Lands Officer of the District in which any such tender as aforesaid has been registered and a copy thereof to the Co-operative Society concerned require the District Lands Officer aforesaid to cancel the registration of such tender in favour of the Agricultural Bank and upon the receipt of any such notice the District Lands Officer aforesaid shall forthwith cancel the registration of such tender in the books of the District Lands Office and thereupon the following special provisions shall have effect, that is to say—

- (i) the bond given by such Co-operative Society to the Agricultural Bank shall be deemed to have been cancelled ; and
- (ii) the mortgages which are specified in the registration of such tender shall be deemed to have been made in favour of, and to have been registered in the name of, the Agricultural Bank, instead of in favour of and in the name of such Co-

operative Society, as from the date of the registration of such mortgages in the books of the District Lands Office ; and

- (iii) in respect of any such mortgages mentioned in paragraph (ii) hereof the Agricultural Bank shall, as regards the rights of the Co-operative Society thereunder and as regards priority of claim, stand in the place of such Co-operative Society as from the date of the registration of such mortgages in the books of the District Lands Office.

(2) Nothing in this section contained shall be construed as imposing any obligation upon the Agricultural Bank to send a notice in the prescribed form to the District Lands Officer of the District as in subsection (1) provided where a Co-operative Society to which this section applies has made default in paying over to the Agricultural Bank any sum of money collected by such Co-operative Society for and on behalf of the Agricultural Bank in respect of any mortgage specified in the registration of a tender, unless and until payment of the sum in respect of which such Co-operative Society has made default has been made by such Co-operative Society to the Agricultural Bank.

Power to the Agricultural Bank to restate loans where mortgagors consent.

4. (1) In respect of any loan secured by mortgage to which the provisions of paragraphs (ii) and (iii) of section 3 apply, it shall be lawful for the Agricultural Bank in consultation with the Governor or his representative duly authorised by him in that behalf,—

(a) to restate the loan on the security of the mortgage and on the basis of the amount thereof outstanding at the time of such restatement in such form and subject to such terms and conditions as may be agreed upon between the Agricultural Bank and the mortgagor ; or

(b) subject to the provisions of subsection (1) of section 5 of this Law, where there is more than one mortgagor, to apportion among the mortgagors, in such manner as may be agreed upon between the Agricultural Bank and the mortgagors—

(i) the amount of the loan outstanding at the time of such apportionment, and

(ii) the security of the mortgage, and thereafter to restate the loan in respect of each mortgagor in accordance with such appor-

tionment in such form and subject to such terms and conditions as may be agreed upon between the Agricultural Bank and each such mortgagor; or

(c) subject to the provisions of subsection (2) of section 5 of this Law, where any mortgagor has died, to apportion among the heirs of such mortgagor, in such manner as may be agreed upon between the Agricultural Bank and the said heirs—

(i) the amount of the loan outstanding at the time of such apportionment, and

(ii) the security of the mortgage, and thereafter to restate the loan in respect of each heir in accordance with such apportionment in such form and subject to such terms and conditions as may be agreed upon between the Agricultural Bank and each such heir, or

(d) to make a further advance of money to the mortgagor or mortgagors or to the heirs of a deceased mortgagor and thereafter to restate the loan together with such further advance under the provisions of paragraph (a) or (b) or (c) hereof as the case may be.

(2) For the purposes of any restatement or apportionment or apportionment and restatement of any loan under the provisions of subsection (1), the amount of the loan outstanding at the time of such restatement or apportionment or apportionment and restatement, as the case may be, shall be deemed to include any amount due and remaining unpaid on any mortgage to which the provisions of paragraphs (ii) and (iii) of section 3 apply, and it shall be lawful for the Agricultural Bank to readjust the amount of such loan in such manner as the circumstances of each case may require.

(3) Every agreement relating to the apportionment or restatement or apportionment and restatement of a loan made under the provisions of subsection (1) shall be executed by the parties thereto whose signatures shall be attested by two witnesses and, where such agreement relates to a further advance of money made under the provisions of subsection (1) (d), the agreement shall state that such further advance has been made and the amount thereof.

(4) Every agreement relating to the apportionment or restatement or apportionment and restatement of a loan

and made in accordance with the provisions of subsection (3) and a copy thereof certified as a true copy under the hand of the Chairman or an Inspector of the Agricultural Bank, shall be transmitted by the Agricultural Bank to the District Lands Officer of the District in which the mortgage is registered together with an application in the prescribed form on behalf of the Agricultural Bank requesting the registration of such agreement.

(5) Upon receipt of an application as in subsection (4) provided, the District Lands Officer of the District in which the mortgage is registered shall, subject to the provisions hereto, register the agreement in the books of the District Lands Office in the prescribed manner and shall issue a certificate in respect thereof in the prescribed form, and shall return the agreement to the Agricultural Bank and file the certified copy thereof, and upon the issue of such certificate—

- (a) the registration of the agreement shall be deemed to have been made as from the date upon which the mortgage was registered ; and
- (b) the immovable property comprised in the mortgage and specified in the agreement shall be deemed to be a security for the repayment of the loan to which the agreement relates as from the date upon which the mortgage was registered ; and
- (c) any claim of the Agricultural Bank arising out of such agreement shall rank in priority to all other claims arising after the date upon which the mortgage was registered :

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Provided that the District Lands Officer aforesaid shall not register any agreement in which it is stated that a further advance has been made where all or any of the immovable property comprised in the mortgage and specified in the agreement is subject to any registration of judgment or other attachment subsisting on the date of the receipt of the application to register the agreement :

Provided also that, where the agreement relates to the apportionment of the loan and of the security of the mortgage among the heirs of a deceased mortgagor, the District Lands Officer aforesaid shall, before issuing a certificate in respect of the registration of such agreement, upon payment by the heirs of the transfer fees payable under the law for the time being in force, register the mortgaged properties as so apportioned in the names of the respective heirs.

5. (1) Where any mortgagor is absent from the Colony, he shall, for the purposes of paragraph (b) of subsection (1) of section 4 of this Law, be represented by an Inspector of the Department of Co-operation appointed by the Registrar of Co-operative Societies for that purpose :

Representa-
tion of
absent or
deceased
mortgagors,
and heirs, in
certain cases.

Provided that—

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(a) no agreement shall be signed on behalf of an absent mortgagor unless :—

(i) there has been kept in the books of the Co-operative Society concerned an individual account of the amount received by him out of the loan made to the Co-operative Society and of any sums repaid by him ; and

(ii) such account has been examined and found correct by such inspector ; and

(b) any mortgagor represented in the manner in this section provided may, at any time before his property is sold for the recovery of any amount owing by him, apply to the District Court of the district in which the property is situate for the revision of any agreement signed on his behalf, and the Court shall have power, after notice has been served on such persons as the Court may direct, to—

(i) order that the agreement be revised in such manner as to the Court may seem just ;

(ii) authorise the District Lands Officer to correct any records of the District Lands Office affected by such revision :

Provided further that where a mortgagor has died and any heir to his estate is absent from the Colony, the absent heir shall, for the purposes of apportionment and subsequent restatement of the loan, be represented—

(a) where the interest, in the mortgaged property, of the co-heirs present in the Colony, amounts in the aggregate to not less than one half of the property, by such co-heirs ;

(b) where the interest, in the mortgaged property, of the co-heirs present in the Colony, amounts in the aggregate to less than one half of the property, by an Inspector of the Department of Co-operation appointed by the Registrar of Co-operative Societies for that purpose, and in

every such case the provisions contained in the last preceding proviso shall apply *mutatis mutandis* to this paragraph as they apply to that proviso.

(2) Where any heir is absent from the Colony, the District Court of the district in which the mortgaged property is situate may, upon application made by any person interested in the mortgage, appoint a person to represent any such heir for the purposes of paragraph (c) of subsection (1) of section 4 of this Law :

Provided that no such appointment shall be made save in conjunction with an appointment of a person to represent such heir at a partition of the mortgaged property among the heirs.

Special provisions applicable to loans made by the Agricultural Bank to members of Co-operative Societies.

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6. Where, after the commencement of this Law, any loan is made by the Agricultural Bank to any member of a Co-operative Society either alone or jointly with any other person and, by a bond in the prescribed form, he or they agree to mortgage to the Agricultural Bank as security for the repayment of such loan any immovable property standing in his or their names in the books of the District Lands Office and specified in such bond, the following special provisions shall have effect, that is to say :—

- (a) any such bond and a copy thereof certified as a true copy under the hand of the Chairman or an Inspector of the Agricultural Bank, shall be transmitted by the Agricultural Bank to the District Lands Officer of the District in which the immovable property specified in such bond is situated together with an application in the prescribed form on behalf of the Agricultural Bank requesting the registration of the bond ;
- (b) upon receipt of an application as in subsection (1) provided, the District Lands Officer of the District in which the immovable property specified in the bond is situated shall, subject to the proviso hereto, register the bond in the books of the District Lands Office in the prescribed manner and shall issue a certificate in respect thereof in the prescribed form, and shall return the bond to the Agricultural Bank and file the certified copy thereof and upon the issue

of such certificate the registration of the bond shall operate as a mortgage to the Agricultural Bank of the immovable property therein specified and such immovable property shall be security for the repayment of the loan in respect of which the bond has been given and may be sold in satisfaction of such loan in accordance with the law for the time being in force relating to the sale of mortgaged immovable property :

Provided that the District Lands Officer aforesaid shall not register any such bond where all or any of the immovable property specified in the bond is subject to any mortgage, registration of judgment or other attachment subsisting on the date of the receipt of the application to register the bond.

7. (1) Where in pursuance of the provisions—

(a) of section 4 an agreement has been registered in the books of the District Lands Office, or

(b) of section 6 a bond has been registered in the books of the District Lands Office,

Power to the Agricultural Bank to make further loans to members of Co-operative Societies.

(which agreement or bond, as the case may be, is hereinafter in this section called " the original bond "), it shall be lawful for the Agricultural Bank from time to time to make a further loan or loans to the person or persons who entered into the original bond and to obtain from such person or persons a supplementary bond therefor in the prescribed form (hereinafter in this section called " the supplementary bond ").

3(a) of 24/51.

3(b) of 24/51.

(2) Every such supplementary bond and a copy thereof certified as a true copy under the hand of the Chairman or an Inspector of the Agricultural Bank, shall be transmitted by the Agricultural Bank to the District Lands Officer of the District in which the original bond was registered together with an application in the prescribed form on behalf of the Agricultural Bank requesting the registration of the supplementary bond.

(3) Upon receipt of an application as in subsection (2) provided, the District Lands Officer of the District in which the original bond was registered shall, subject to the proviso hereto, register the supplementary bond in the books of the District Lands Office in the prescribed manner and shall issue a certificate in respect thereof in the prescribed form, and shall return the supplementary bond to

the Agricultural Bank and file the certified copy thereof and upon the issue of such certificate—

- (a) the registration of the supplementary bond shall be deemed to have been made as from the date upon which the original bond was registered ; and
- (b) the immovable property specified in the original bond shall be deemed to be security for the repayment of the loan to which the supplementary bond relates as well as for the repayment of the loan to which the original bond relates and may be sold in satisfaction of all or any of the said loans in accordance with the law for the time being in force relating to the sale of mortgaged immovable property ; and

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- (c) any claim of the Agricultural Bank arising out of the original bond and any supplementary bond shall rank in priority to all other claims arising after the date upon which the original bond was registered :

Provided that the District Lands Officer aforesaid shall not register any such supplementary bond where all or any of the immovable property specified in the original bond is subject to any registration of judgment or other attachment subsisting on the date of the receipt of the application to register the supplementary bond.

Special provisions applicable to loans made by the Accountant-General, for and on behalf of the Government to Co-operative Societies.

8. (1) Where—

- (a) a Co-operative Society has obtained a loan from the Accountant-General, acting for and on behalf of the Government ; and
- (b) such Co-operative Society has entered into a contract of mortgage whereby any members of such Co-operative Society have agreed to mortgage to the Accountant-General, as security for the due repayment of such loan, immovable property standing registered in the names of such members in the books of the District Lands Office ; and

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- (c) such contract of mortgage has been registered in the books of the District Lands Office in accordance with the provisions of the Land Transfer Amendment Law ; and

- (d) any sum of money on such contract of mortgage is, on the date of the commencement of this Law, outstanding and remaining unpaid to the Accountant-General by such Co-operative Society or by such members,

it shall be lawful for the Accountant-General to enter into an agreement with the Agricultural Bank for the assignment to the Bank of the rights of the Accountant-General as existing under such contract of mortgage either at the date of the commencement of this Law or at such prior date thereto as may be specified in such agreement.

(2) Upon the execution of any such agreement between the Accountant-General and the Agricultural Bank in pursuance of the provisions of subsection (1) the Accountant-General shall make a declaration under his hand in the prescribed form to the effect that his rights under the contract of mortgage specified therein have been assigned to the Agricultural Bank.

(3) Every such declaration shall be transmitted by the Accountant-General to the District Lands Officer of the District in which the contract of mortgage has been registered together with an application in the prescribed form requesting the registration of the declaration.

(4) Upon receipt of an application as in subsection (3) provided, the District Lands Officer of the District in which the contract of mortgage to which the declaration relates was registered shall register the declaration in the books of the District Lands Office in the prescribed manner and shall issue a certificate in respect thereof in the prescribed form, and upon the issue of such certificate—

- (a) the contract of mortgage to which the declaration relates shall be deemed to have been assigned to the Agricultural Bank ; and
- (b) such contract of mortgage shall be deemed to have been made in favour of, and to have been registered in the name of, the Agricultural Bank, instead of in favour of and in the name of the Accountant-General, as from the date of its registration in the books of the District Lands Office ; and
- (c) in respect of such contract of mortgage, the Agricultural Bank shall, as regards the rights of the Accountant-General thereunder and as regards priority of claim, stand in the place of the Accountant-General as from the date of its

registration in the books of the District Lands Office.

Power to the Agricultural Bank to apportion and restate loans made by the Accountant-General to Co-operative Societies and assigned to the Agricultural Bank.

9. Where in pursuance of the provisions of section 8 a declaration for the assignment of a loan by the Accountant-General to the Agricultural Bank has been registered and a certificate in respect thereof has been issued, it shall be lawful for the Agricultural Bank in consultation with the Governor or his representative duly authorised in that behalf to apportion or restate or apportion and restate the loan to which the declaration relates in the manner prescribed in section 4 and the provisions of that section shall apply *mutatis mutandis* to every loan so apportioned or restated or apportioned and restated :

Provided that when the agreement under which the loan was apportioned or restated or apportioned and restated has been registered and a certificate in respect thereof has been issued as in section 4 provided the Co-operative Society which was a party to the contract of mortgage relating to such loan shall be deemed to have been freed and discharged from its liability under such contract of mortgage and any mortgagors jointly and severally liable thereunder shall be deemed to have been freed and discharged from their joint and several liability under such contract of mortgage.

Power to Governor to make Regulations.

10. The Governor may make Regulations to be published in the Gazette—

- (a) regulating the procedure to be followed in the District Lands Office in respect of any act, matter or thing required to be done or observed under this Law ;
- (b) prescribing the form of any bond and declaration under this Law ;
- (c) prescribing the form of application for the registration of any agreement, bond and declaration under this Law, the manner in which such registration is to be effected, the form of certificate to be issued in respect thereof and the fees to be taken or charged in respect of such application or certificate ;
- (d) prescribing the form of any notice which may be required to be given by the District Lands Office or by the Agricultural Bank under this Law or the Regulations ;

(e) generally for the better carrying out of the purposes of this Law.

11. Where there is any conflict or inconsistency between the provisions of this Law and the provisions of any other Law, the provisions of this Law shall prevail. Provisions of this Law to prevail.

12. Nothing in this Law contained shall prejudice or affect, or shall be construed as prejudicing or affecting, the rights of Her Majesty, Her Heirs and Successors, or of any body politic or corporate or of any person or persons except such as are mentioned in this Law and those claiming by, from or under them. Saving.

