CYPRUS

AGRICULTURAL BANK (SPECIAL PRIVILEGES)

CHAPTER 122 OF THE LAWS

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CHAPTER 122.

AGRICULTURAL BANK (SPECIAL PRIVILEGES).

ARRANGEMENT OF SECTIONS.

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.

1949
Cap. 188.
24 *of* 51.

[17*th 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

Special provisions applicable to loans made by the Agricultural Bank to Co-operative Societies. Cap. 118.

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

(*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

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(*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 apportionment 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— 2 of 14/42.

(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