CYPRUS

GENERAL LOAN AND INSCRIBED STOCK

CHAPTER 200 OF THE LAWS

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1959

CHAPTER 200.

GENERAL LOAN AND INSCRIBED STOCK.

ARRANGEMENT OF SECTIONS.

A LAW TO DECLARE THE TERMS AND CONDITIONS APPLICABLE TO LOANS AUTHORIZED TO BE RAISED BY THE GOVERNMENT OF CYPRUS AND TO PROVIDE FOR THE CREATION OF CYPRUS STOCK.

16 *of* 51.

[*6th April*, 1951.]

Short title.

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

2. In this Law, unless the context otherwise requires— Interpretation.

the expression " Crown Agents " means the persons for the time being acting as Crown Agents for Oversea Governments and Administrations in England, or any of them ;

the expression " stock " includes both Inscribed and Registered Stock ;

the expression " Registered Stock " means stock transferable by instrument in writing.

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 stock, or partly by debentures and partly by stock. Loans to be raised by debentures or stock.

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

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 the United Kingdom 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 either— Debentures may be redeemed by annual drawings or by purchase in the market or on a date fixed.

(*a*) at par on a fixed date to be declared on the issue of the debentures such date not being later than sixty years from the date of issue :

Provided that the Governor, or the Crown Agents acting on his behalf, may reserve the option to redeem the debentures prior to such date on such conditions as may be declared at the time of issue ; or

(*b*) by annual drawings at par or at the option of the Governor, or the Crown Agents acting on his behalf, by purchase at or below par.

Interest coupons.

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.

Form of debenture and 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.

Debentures and coupons transferable by delivery.

10. Every debenture and coupon, and the right to receive the principal and interest represented thereby, shall be transferable by delivery.

Registry of debentures.

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.

Payment of interest.

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.

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 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 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 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. (1) The Governor shall, in the half-year ending on the date specified in the terms of issue of the loan as that on which the first contribution to the sinking fund shall be taken and in each subsequent half-year, appropriate out of the said revenues and assets 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 stock, and shall remit that sum to the Crown Agents with the remittance hereinbefore mentioned.

(2) Notwithstanding anything to the contrary contained in subsection (1) of this section, if at any time the trustees of the sinking fund of any loan issued under the provisions of this Law are satisfied that the value of the fund will be sufficient with further accumulations of interest but without further payment of contributions to enable the loan to be redeemed out of the proceeds of the sinking fund not later than the final redemption date, the Governor may with the approval of the Secretary of State suspend further contributions to the said sinking fund :

Provided always that contributions to the sinking fund shall be recommenced if the trustees shall at any time inform the Governor that this is necessary.

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 fixed date, the Crown Agents shall place at interest or invest in the purchase of such securities as may be approved by the Secretary of State 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, as a sinking fund for the final extinction of the debt, and the Crown Agents shall also place at interest or invest in the purchase of like securities the accumulations of interest or the dividends, interest or produce of such investments 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 debenture.