

Cyprus, the Governor may by Proclamation extend this Law to such possession or territory, and this Law shall thereupon apply in respect of such possession or territory as though the references to England or Ireland were references to such possession or territory and the references to the Secretary of State were references to the Governor of such possession or territory.

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NO. 8 OF 1930.

TO AMEND AND CONSOLIDATE THE LAW OF BANKRUPTCY. A.D. 1930.

RONALD STORRS.]

[May 10, 1930.

8 of 1930.

BE it enacted:—

PRELIMINARY.

1. This Law may be cited as the Bankruptcy Law, Short title. 1930.

2.—(1) In this Law, unless the context otherwise requires— Interpretation of terms.

“The Court” means the Court having jurisdiction in bankruptcy under this Law:

“Available act of bankruptcy” means any act of bankruptcy available for a bankruptcy petition at the date of the presentation of the petition on which the receiving order is made:

“Debt provable in bankruptcy” or “provable debt” includes any debt or liability by this Law made provable in bankruptcy:

“Gazetted” means published in the *Cyprus Gazette*:

“General rules” include forms:

“Goods” include all chattels personal and movable property:

“Ordinary resolution” means a resolution decided by a majority in value of the creditors present, personally or by proxy, at a meeting of creditors and voting on the resolution:

“Prescribed” means prescribed by general rules within the meaning of this Law:

“Property” includes money, goods, things in action, land, and every description of property whether movable

or immovable, and whether situate in Cyprus or elsewhere; also, obligations, easements, and every description of estate, interest and profit, present or future, vested or contingent, arising out of or incident to property as above defined:

“Resolution” means ordinary resolution:

“Secured creditor” means a person holding a mortgage, pledge, charge or lien on the property of the debtor, or any part thereof, as a security for a debt due to him from the debtor:

“Schedule” means schedule to this Law:

“Sheriff” includes any officer charged with the execution of a writ or other process:

“Special resolution” means a resolution decided by a majority in number and three-fourths in value of the creditors present, personally or by proxy, at a meeting of creditors and voting on the resolution.

“Trustee” means the trustee in bankruptcy of a debtor’s estate.

(2) The schedules to this Law shall be construed and have effect as part of this Law.

PART I.

PROCEEDINGS FROM ACT OF BANKRUPTCY TO DISCHARGE.

3.—(1) A debtor commits an act of bankruptcy in each of the following cases:—

What constitutes an act of bankruptcy.

(a) If in Cyprus or elsewhere he makes a conveyance or assignment of his property or to any person for the benefit of his creditors generally.

(b) If in Cyprus or elsewhere he makes a fraudulent conveyance, gift, delivery or transfer of his property or of any part thereof.

(c) If in Cyprus or elsewhere he makes any conveyance or transfer of his property or any part thereof, or creates any charge thereon, which would under this or any other Law be void as a fraudulent preference if he were adjudged bankrupt.

(d) If with intent to defeat or delay his creditors he does any of the following things, namely :

(1) departs or makes preparation for departing, out of Cyprus, or being out of Cyprus, remains out of Cyprus ; or

(2) departs from his dwelling house or otherwise absents himself ; or

(3) begins to keep house.

(e) If execution against him has been levied by seizure of his goods under process in an action in any Court, and the goods seized have either been sold or held by the sheriff for twenty-one days, provided that, where an interpleader application has been made in regard to the goods seized, the time elapsing between the date at which such application has been made and the date at which the proceedings on such application are finally disposed of, settled, or abandoned, shall not be taken in account in calculating such period of twenty-one days.

(f) If he files in the Court a declaration of his inability to pay his debts or presents a bankruptcy petition against himself.

(g) If a creditor has obtained a final judgment or final order against him for any amount, and, execution thereon not having been stayed, has served on him in Cyprus, or, by leave of the Court, elsewhere, a bankruptcy notice under this Law, and he does not, within seven days after service of the notice, in case the service is effected in Cyprus, and in case the service is effected elsewhere, then within the time limited in that behalf by the order giving leave to effect the service, either comply with the requirements of the notice or satisfy the Court that he has a counterclaim, set-off or cross demand which equal or exceeds the amount of the judgment debt or sum ordered to be paid, and which he could not set up in the action in which the judgment was obtained, or the proceedings in which the order was obtained.

For the purpose of this section any person who is, for the time being entitled, to enforce a final judgment or final order, shall be deemed to be a creditor who has obtained a final judgment or final order.

(h) If being indebted to a creditor in virtue of a debt provable in bankruptcy, he fails to pay, or secure, or compound for, such debt, within such time as shall be allowed by an order made by the Court upon the application of the creditor, provided always no such application shall be entertained by the Court, unless a bankruptcy notice, requiring payment of such debt, has first been served upon him, and he has had notice of such application and has been called upon to show cause against the same.

(i) If he has admitted to any of his creditors that he is unable to meet his engagements or that he has suspended or is about to suspend the payment of his debts.

(2) In this Law, the expression "a debtor," unless the context otherwise implies, includes any person, who at the time when any act of bankruptcy was done or suffered by him—

(a) was personally present in Cyprus; or

(b) ordinarily resided or had a place of residence in Cyprus; or

(c) was carrying on business in Cyprus, personally, or by means of an agent or manager; or

(d) was a member of a firm or partnership which carried on business in Cyprus.

(3) A bankruptcy notice under this Law shall be in the prescribed form, and shall require the debtor to pay the judgment debt or sum ordered to be paid in accordance with the terms of the judgment or order, or to secure or compound for it to the satisfaction of the creditor or the Court, and shall state the consequences of non-compliance with the notice, and shall be served in the prescribed manner:

Provided that a bankruptcy notice—

(i.) may specify an agent to act on behalf of the creditor in respect of any payment or other thing required by the notice to be made to, or done to the satisfaction of, the creditor;

(ii.) shall not be invalidated by reason only that the sum specified in the notice as the amount due exceeds the amount actually due, unless the debtor within the time allowed for payment gives notice to the creditor that he disputes the validity of the notice on the ground

of such misstatement ; but, if the debtor does not give such notice, he shall be deemed to have complied with the bankruptcy notice if within the time allowed he takes such steps as would have constituted a compliance with the notice had the actual amount due been correctly specified therein.

RECEIVING ORDER.

4. Subject to the conditions hereinafter specified, if a debtor commits an act of bankruptcy the Court may, on a bankruptcy petition being presented either by a creditor or by the debtor, make an order, in this Law called " a receiving order," for the protection of the debtor's estate.

Jurisdiction to make receiving order.

5.—(1) A creditor shall not be entitled to present a bankruptcy petition against a debtor unless—

Conditions on which creditor may petition.

(a) the debt owing by the debtor to the petitioning creditor, or, if two or more creditors join in the petition, the aggregate amount of debts owing to the several petitioning creditors amounts to £50, and

(b) the debt is a liquidated sum, payable either immediately or at some certain future time, and

(c) the act of bankruptcy on which the petition is grounded has occurred within three months before the presentation of the petition, and

(d) the debtor is domiciled in Cyprus or, within a year before the date of the presentation of the petition, has ordinarily resided or had a dwelling house or place of business in Cyprus or has carried on business in Cyprus, personally, or by means of an agent or manager, or is or within the said period has been a member of a firm or partnership of persons which has carried on business in Cyprus by means of a partner or partners or an agent or manager.

(2) If the petitioning creditor is a secured creditor, he must, in his petition, either state that he is willing to give up his security for the benefit of the creditors in the event of the debtor being adjudged bankrupt, or give an estimate of the value of his security. In the latter case he may be admitted as a petitioning creditor to the extent of the balance of the debt due to him, after deducting the value so estimated in the same manner as if he were an unsecured creditor.