

No. 9 OF 1935.

A LAW TO AMEND THE CYPRUS CURRENCY NOTES ORDER A.D. 1935.
IN COUNCIL, 1928. 9 of 1935.

H. R. PALMER,]
Governor.

[28th March, 1935.

BE it enacted :—

1. This Law may be cited as the Currency Notes (Amendment) Law, 1935, and shall be read as one with the Cyprus Currency Notes Order in Council, 1928, (hereinafter referred to as "the Order") and the Order and this Law may together be cited as the Cyprus Currency Notes Order and Law, 1928 and 1935. Short title.

2. Article VII of the Order is hereby repealed and the following substituted therefor :— Repeal of Article VII of the Order and substitution of new Article.

"(1) There shall be established a Fund to be called 'the Note Security Fund' and there shall be paid into the said Fund :—

(a) the sums standing to the credit of the Note Security Fund now in existence ; and

(b) the equivalent value in sterling of all currency notes issued otherwise than under the provisions of Article XIV of this Order or in exchange for currency notes already issued.

(2) There shall be charged upon the said Fund the sterling payments made by the Commissioner in respect of notes lodged with him under the provisions of Article VI hereof.

(3) The Note Security Fund shall be held by the Crown Agents and may be invested in securities of, or guaranteed by, the Government of any part of the British Empire (except the Government of Cyprus) or such other securities as the Crown Agents, with the approval of the Secretary of State, may in their discretion select :

Provided that a proportion of the Fund shall be held in liquid form and such proportion may be determined and varied from time to time by the Governor in directions (the issue of which is hereby authorized) to the Crown Agents.

(4)—(i) All dividends, interest or other revenue derived from such investments or from the employment in any other manner of the monies of the Note Security Fund and all commissions paid to the Commissioner as provided in Article VI of this Order shall be paid into an account to be called 'the Currency Note Income Account'.

(ii) There shall be charged upon the said account:—

(a) all expenses incurred by the Commissioner and by the Crown Agents in the preparation, transport and issue of the Currency Notes and the transaction of business relating thereto ; and

(b) a sum equal to one per centum of the Note Security Fund, that is to say the amount made up of the liquid monies of the Fund together with the estimated market value of the investments in the Fund on the last day in each calendar year, which shall be paid annually into the Note Security Fund :

Provided that the Governor may, with the approval of the Secretary of State, direct that any expenditure of an exceptional nature may be charged upon the Note Security Fund and not upon the Currency Note Income Account.

(iii) If on the last day in any calendar year there is a surplus in the Currency Note Income Account it shall be transferred to the general revenues of Cyprus and any deficiency in the Account on that day shall be met from monies to be appropriated out of the said revenues :

Provided that—

(a) if on the last day in any year the face value of the currency notes in circulation exceeds the amount of the Note Security Fund calculated in the manner provided in sub-paragraph (ii) (b) of this paragraph there shall be paid into the Fund the whole of the said surplus in the Currency Note Income Account or such part thereof as shall make up the monies of the Fund as aforesaid to an amount equal to the face value of the currency notes in circulation other than notes which have been demonetised under this Order ; and