

9. This Law shall not affect the exercise of any powers conferred by any other Law on the Governor in Council, the Governor or any public officer, nor shall any order made under this Law affect the operation of any public instrument made or issued in exercise of any such powers under any such other Law. Saving.

No. 17 OF 1938.

A LAW TO RATIFY AND CONFIRM AN AGREEMENT ENTERED INTO BETWEEN THE GOVERNOR OF THE FIRST PART, THE OTTOMAN BANK OF THE SECOND PART AND THE AGRICULTURAL BANK OF CYPRUS LIMITED OF THE THIRD PART.

H. R. PALMER,  
Governor.

[17th June, 1938.]

WHEREAS an Agreement was made on the tenth day of June, 1938, between the Governor of the first part, the Ottoman Bank of No. 26 Throgmorton Street in the City of London whose principal place of business in the Colony is situated in Nicosia in the Colony of the second part and the Agricultural Bank of Cyprus Limited, a company incorporated under the Companies (Limited Liability) Laws, 1922 to 1934, whose registered office is situated in Nicosia in the Colony of the third part, which Agreement is set out in the Schedule :

AND WHEREAS the said Agreement must in accordance with its provisions be ratified and confirmed by legislation :

AND WHEREAS it is desirable that the said Agreement and all its provisions should be so ratified and confirmed :

BE it therefore enacted by His Excellency the Governor and Commander-in-Chief of the Colony of Cyprus as follows :—

1. This Law may be cited as the Agricultural Bank of Cyprus Limited Agreement (Ratification) Law, 1938, Short title,

Ratification  
of Agreement  
and confer-  
ment of  
powers.

2. The Agreement set out in the Schedule and all its provisions are hereby ratified and confirmed and all rights and obligations purported to be conferred or imposed thereby are hereby declared valid any Law to the contrary notwithstanding and notwithstanding anything in any Law contained the Governor shall have power to do any act which the said Agreement may require or allow to be done in the name of the Governor.

Date of  
commence-  
ment.

3. This Law shall be deemed to have taken effect and come into operation as from the first day of January, 1938.

### SCHEDULE.

AN AGREEMENT made the tenth day of June, 1938, BETWEEN Sir Herbert Richmond Palmer, K.C.M.G., C.B.E., His Majesty's Governor of the Colony of Cyprus (hereinafter referred to as "the Governor" which expression shall mean the holder for the time being of the office of Governor of the said Colony) of the first part, the Ottoman Bank of No. 26 Throgmorton Street in the City of London whose principal place of business in the Colony of Cyprus is situated in Nicosia in the said Colony (hereinafter referred to as "the Ottoman Bank") of the second part and the Agricultural Bank of Cyprus Limited a company incorporated under the Companies (Limited Liability) Laws, 1922 to 1934, of the said Colony of Cyprus whose registered office is situate in Nicosia in the said Colony (hereinafter referred to as "the Agricultural Bank") of the third part.

WHEREAS the primary object of the Agricultural Bank is to make advances or arrange for advances to be made either directly or indirectly to or for the benefit of agriculturists in the Colony of Cyprus.

AND WHEREAS the nominal capital of the Agricultural Bank is fifty thousand pounds divided into fifty thousand shares each of one pound the whole of which have been issued and are fully paid.

AND WHEREAS forty-nine thousand nine hundred and ninety-five shares of the Agricultural Bank are held by the Ottoman Bank.

AND WHEREAS the Agricultural Bank has raised additional capital by an issue of two hundred thousand pounds of Bonds carrying interest at the rate of five pounds per centum per annum of which the amount outstanding on the thirty-first day of December, 1937, was one hundred and ninety-one thousand six hundred pounds.

AND WHEREAS the said Bonds may be redeemed by the Agricultural Bank at any time after the thirty-first day of December, 1938, on six months' previous notice by advertisement.

AND WHEREAS under and by virtue of two Agreements dated respectively the seventeenth day of June, 1925, and the twenty-sixth day of January, 1929, the first made between His Majesty's Governor of the Colony of Cyprus of the one part and the Agricultural Bank of the other part and the second made between His Majesty's Governor of the Colony of Cyprus of the first part, the Agricultural Bank of the second part and the Ottoman Bank of the third part the Governor is under guarantee (1) to make up the annual profits of the Agricultural Bank to the minimum amount therein mentioned and (2) to provide the interest upon the said Bonds in case of default by the Agricultural Bank to do so and the Ottoman Bank is under guarantee to provide an annual sum of one thousand pounds towards a sinking fund for the redemption of the said Bonds in case of default by the Agricultural Bank to make a like provision.

AND WHEREAS sums amounting in all to a total of forty-five thousand three hundred and ten pounds thirteen shillings and two piastres have been paid by the Governor under the said guarantees but owing to differences of opinion as to the construction of the guarantee in paragraph (1) of the immediately preceding recital mentioned further sums amounting in all to forty thousand five hundred and six pounds sixteen shillings and eight piastres claimed by the Agricultural Bank thereunder are contested by the Governor such sum of forty thousand five hundred and six pounds sixteen shillings and eight piastres being represented in the books of the Agricultural Bank as a sum due from the Governor to the Agricultural Bank.

AND WHEREAS the sum of four thousand eight hundred and thirty pounds three shillings and seven piastres represented interest accrued but not due from Loan Debtors on the thirty-first day of December, 1937, and is so recorded in the books of the Agricultural Bank at that date.

AND WHEREAS the parties hereto have agreed that save as hereinafter provided the said Agreements should be cancelled and that the provisions of these presents should be substituted for the same.

**Now it is hereby agreed and declared as follows:—**

1. The said Agreements of the seventeenth day of June, 1925, and of the twenty-sixth day of January, 1929, shall save as hereinafter provided be deemed to have been cancelled as from the close of business on the thirty-first day of December, 1937, and the hereinbefore mentioned sums of forty-five thousand three hundred and ten pounds thirteen shillings and two piastres, and of forty thousand five hundred and six pounds sixteen shillings and eight piastres and of four thousand eight hundred and thirty pounds three shillings and seven piastres shall be dealt with as hereinafter provided,

2. The Agricultural Bank shall during the subsistence of this Agreement in continuation of the business heretofore carried on by it make advances on mortgage security on long-term credit (hereinafter called "agricultural advances") directly or indirectly to or for the benefit of agriculturists in the Colony of Cyprus upon such terms whether as to security or otherwise and upon such conditions as it may think fit and as may be in accordance with reasonable prudence and with the laws of the Colony of Cyprus in force for the time being :

Provided that (a) the rate of interest to be charged upon agricultural advances shall not exceed the rate of eight pounds per centum per annum and (b) the obligations of the Agricultural Bank under this Clause shall be limited to the amount of its actual resources for the time being and the Agricultural Bank shall not be bound to borrow for the purpose of making advances unless it shall think fit to do so and Provided further that the Agricultural Bank shall not at any time or for any purpose raise any money by way of loan except with the previous consent in writing of the Governor and upon such terms as shall have been approved by him.

3. The accounts of the Agricultural Bank shall be made up annually as on the thirty-first day of December in each year and all such accounts shall be audited by a Chartered Accountant or firm of Chartered Accountants approved annually in writing by the Governor.

4. Two special accounts shall be opened in the books of the Agricultural Bank as on the first day of January, 1938, that is to say,—

(a) a "General Surplus Account" and

(b) an "Arrears Account".

5. The "General Surplus Account" for each accounting period shall include (a) all items appropriate to an ordinary profit and loss account for the period except that nothing is to be brought into the account in respect of the value of unpaid interest and no allowance is to be made in the account by way of debits for bad debts (b) the current interest on the outstanding Bonds of the Agricultural Bank and the Annual Cumulative Sinking Fund payment as provided in the said Agreement of the twenty-sixth day of January, 1929, in respect of such Bonds until the redemption of the Bonds (c) all sums received by the Agricultural Bank during the period from loan debtors of the Agricultural Bank in respect of interest payments and (d) the balance (if any) standing at the end of the period to the credit of the "Arrears Account". The balances from time to time at the credit of the "General Surplus Account" shall be dealt with as in Clause 13 hereof provided. The deficiencies (if any) from time to time shall be transferred to an account to be known as the "Shareholders Suspense Account".

6.—(A) The items to be dealt with through the "Arrears Account" shall be the hereinbefore mentioned sum of forty thousand five hundred and six pounds sixteen shillings and eight piastres at present treated in the books of the Agricultural Bank as due to the Agricultural Bank from the Governor and the hereinbefore mentioned sum of four thousand eight hundred and thirty pounds three shillings and seven piastres in respect of interest accrued but not due from Loan Debtors on the thirty-first day of December, 1937, and any sums credited to this account under Clause 13 (b) hereof and all instalments of principal moneys falling due to the Agricultural Bank from its Loan Debtors in each accounting period and remaining unpaid at the close of each such period. As on the first day of January, 1938, the said sums of forty thousand five hundred and six pounds sixteen shillings and eight piastres and four thousand eight hundred and thirty pounds three shillings and seven piastres shall be transferred to the debit of the "Arrears Account" and at the close of the first and every subsequent accounting period the account shall be debited with the amount of all arrears of principal moneys which accrued during the period and shall be credited with all sums received in cash by the Agricultural Bank during the period in respect of arrears of principal moneys accrued during any prior accounting period. Any balance at the credit of the "Arrears Account" shall be transferred at the end of each accounting period to the credit of the "General Surplus Account" and after the "Account of the Deferred Noteholders Fund" shall have been opened as in Clause 10 hereof provided any balance at the debit of the "Arrears Account" at the date of such opening or subsequently at the end of any accounting period shall be transferred to the debit of the said "Account of the Deferred Noteholders Fund".

(B) For the purpose of giving effect to this Clause and to Clause 5 hereof all receipts from Loan Debtors in any accounting period shall be treated as paid in the first place in respect of interest due at or prior to the date of receipt and in the second place in respect of principal money.

7.—(A) If and whenever for any accounting period the current working of the "General Surplus Account" (no carry forward from any previous accounting period being taken into account) shall not show a net credit balance of at least the sum of two thousand pounds the Governor shall pay to the Agricultural Bank and the Agricultural Bank shall distribute among its members rateably in proportion to their respective holdings of shares such a sum as with the net balance of the account (if any) will make up a total of two thousand pounds: Provided that in respect of the year 1938 but not in respect of any later year the Governor shall pay such a further sum (if any) not exceeding a total of eleven thousand pounds