

**CAP. 208.**

**CYPRUS**

**PUBLIC LOANS**

**CHAPTER 208 OF THE LAWS**

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1959

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## CHAPTER 208.

## PUBLIC LOANS.

## ARRANGEMENT OF SECTIONS.

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## TO ESTABLISH A PUBLIC LOAN FUND.

1949  
Cap. 247.  
18 of 51.  
58 of 54.

[3rd August, 1897.]

Short title.

1. This Law may be cited as the Public Loans Law.

Board of  
Com-  
missioners.

2. For the purpose of granting loans from the fund established by this Law, and for the purpose of the execution of this Law and of any enactment passed or hereafter to be passed authorizing or referring to such loans, there shall be a Board of Commissioners, in this Law referred to as the "Loan Commissioners."

Loan Com-  
missioners.  
2 of 5/49.

3. The Loan Commissioners shall be—

(a) the Governor, the Financial Secretary and the Accountant-General;

- (b) such other Government officers not exceeding three <sup>2 of 14/40.</sup> in number as the Governor may from time to time appoint to hold office during his pleasure; and
- (c) such other persons not exceeding three in number not being Government officers as the Governor may from time to time appoint to hold office during his pleasure.

4. For the purposes of this Law the following moneys, <sup>Fund vested in Commissioners.</sup> in this Law called "the Fund," shall be deemed to be vested in the Loan Commissioners; that is to say—

- (a) the unexpended balance standing to the credit of the Agricultural Bank fund;
- (b) the unexpended balance standing to the credit of the Surplus Locust fund;
- (c) the principal and interest of any loans before the passing of this Law granted from either of the foregoing funds, whether under the provisions of any Law, or otherwise;
- (d) any fund, not being moneys which prior to the passing of this Law would have been payable to general revenue, which the Legislative Council by resolution approved of by the Governor may order to be vested in the Board for the purposes of this Law.

5. The Governor, or in his absence the senior official member, shall preside at all meetings of the Commissioners, <sup>Meetings of the Commissioners.</sup> and any three members (the chairman being counted as a member) shall form a quorum.

6. With respect to the Loan Commissioners the following provisions shall have effect— <sup>Powers, etc., of Commissioners.</sup>

- (a) the Accountant-General shall be the treasurer of the Fund, the principal and interest of which shall be on deposit with the Government;
- (b) the Loan Commissioners may sue and be sued in the name of the Attorney-General for the time being;
- (c) the Loan Commissioners may examine any persons willing to be examined on any matters connected with the execution of this Law, and may for that

purpose, or otherwise for the purpose of the execution of this Law, administer an oath or affirmation;

- (d) the Loan Commissioners shall annually cause to be made out up to the end of every financial year a statement of accounts showing the state of the Fund and all transactions under this Law during the year, and shall submit it for audit to a person to be appointed by the Governor; and
- (e) any minute made of proceedings at meetings of the Commissioners, if signed by any person purporting to be the chairman either of the meeting of the Commissioners at which the proceedings took place or of the next ensuing meeting of the Commissioners, shall be receivable in evidence in all legal proceedings without further proof; and, until the contrary is proved, every meeting of the Commissioners, in respect of the proceedings of which minutes have been so made, shall be deemed to have been duly convened and held, and all the members thereof to have been duly qualified to act.

3 of 5/49.

Purposes of loans and securities therefor.  
2 of 58/54.

7. (1) The Loan Commissioners may out of the Fund, from time to time, as they think it expedient, make loans for the following purposes—

- (a) to any public authority or local authority for the purpose of any work of public utility which such authority may be authorized by the Law, under which it is established or functioning, to undertake;
- (b) to any co-operative society, registered under the Co-operative Societies Law, for any purpose of such society;
- (c) to any body consisting of not fewer than five persons who shall be associated for the purpose of effecting any general improvement of agricultural land;
- (d) to any person, body or village community to enable such person, body or community to establish, carry on, develop or extend any agricultural or manufacturing undertaking, or to procure any plant, material or apparatus for any such undertaking;
- (e) to any person, body or village community for any

Cap. 114.

purpose of public utility, or for the purpose of any object tending to advance the development of the Colony, as may be approved by the Governor in Council.

(2) The Loan Commissioners, with the sanction of the Governor, may make advances to any agricultural bank, established under the authority of any Law in force for the time being, on such terms and conditions as may be agreed upon, for the purpose of benefiting the agricultural or manufacturing interests of the Colony; and the interest on any such advance, and the amount or the instalment of the capital agreed to be paid in any year, shall be deducted from any amount which may be awarded to the Agricultural fund under this Law; and the right of the Loan Commissioners so to take such interest and capital shall be deemed sufficient security for the repayment of the sum with interest so advanced.

(3) Where two or more village communities desire to join in carrying on any work or undertaking, the Loan Commissioners may, if they deem it expedient, make loans to such village communities jointly or separately, or jointly and separately, or apportion the loan in such proportions as are agreed to be paid by each of the communities separately.

(4) The Loan Commissioners may require securities to be given for the repayment of the moneys advanced under the provisions of this Law and such securities may be in such manner or form as may lawfully be given under the provisions of any Law in force for the time being including securities by way of personal obligation, the mortgage or transfer of immovable property, the pledging of movable property and the mortgage of any rate, fee or duty payable to any local authority or public authority; and all securities for any loan granted by the Loan Commissioners in pursuance of this Law may be given to the Accountant-General on behalf of the Commissioners.

(5) For the purposes of this section—

“ local authority ” means the council of a municipal corporation, a Village Health Commission or the Board of an Improvement Area operating under any local authority enactment, as the case may be, in force for the time being and includes a Village Community;

“ local authority enactment ” means the Municipal

Cap. 240,  
Cap. 243,  
Cap. 259.

Corporations Law, the Public Health (Villages) Law, and the Villages (Administration and Improvement) Law, or any Law amending or substituted for any such Laws;

“ public authority ” means any person or body of persons authorized by Law to exercise any function in connection with education or electricity, water or other public undertaking and includes any body of persons recognized by the Governor as a public authority for the purposes of this Law;

Cap. 246;

“ Village Community ” has the same meaning as in the Village Obligations Law or any Law amending or substituted for the same.

Interest  
on loan.

8. (1) Every loan granted under this Law shall be made repayable in such instalments as shall provide for the extinction of the debt with the interest thereon within a period from the date of the actual advance of the loan not exceeding thirty years :

3 of 58/54.

Provided that such period may, in a particular case and with the approval of the Governor, be extended to fifty years.

(2) The interest to be paid on any loan shall be at such rate not exceeding seven per centum per annum as may be determined in each case by the Loan Commissioners.

(3) Where a loan has been granted repayable within a period less than the full period allowed by the foregoing provisions of this section, the Loan Commissioners, if the repayment of the loan with interest is in their opinion sufficiently secured, and if they think fit, may extend the period for its repayment to a period not exceeding the said full period from the date of the advance of the loan.

(4) The Loan Commissioners, in considering whether the period for the repayment of a loan should or should not be the full period, shall have regard to the durability of the work for the purpose of which the loan is granted, and to the expediency of the cost of the work being paid by the generation of persons who will immediately benefit by the work.

(5) The first instalment for the repayment of every loan shall be made payable within a period not exceeding two years from the date of the advance of the loan.

9. The Governor, any resolution of the Loan Commissioners notwithstanding, may disallow any loan.

Disallowance  
of loans.

10. (1) Where any local authority, to which any loan has been made under the provisions of this Law, ceases for any reason to function, the Governor in Council may order that such loan shall be repayable by the occupiers of the village in which the local authority was functioning when the loan was made and, thereupon, such loan, subject to the terms and conditions as to payment and the rate of interest under which the loan was made and without prejudice to any other remedy which the Loan Commissioners may have, shall be repayable by such occupiers in accordance with the following provisions, that is to say:—

Payment of  
loans to local  
authorities  
when ceasing  
to function.  
2 of 18/51.

(a) the mukhtar shall, within twenty-eight days from the day of the Order, prepare and post, or cause to be posted in a conspicuous place in the village, a list bearing the date of such posting (hereinafter referred to as "the list") setting out—

(i) the amount then due and payable under the loan together with an additional amount of two pounds to be paid to the mukhtar for the preparation of the list ;

(ii) the names of all occupiers of the village concerned ;

Provided that the mukhtar may exclude from the list any occupier who, in his opinion, should not be chargeable with the repayment of the loan on the ground of extreme poverty ; and

(iii) the amount payable by each occupier as assessed by the mukhtar according to the means within the village of each such occupier and the latest date upon which it shall be paid ;

(b) within fourteen days from the date of posting of the list as hereinbefore provided, any person who may feel himself aggrieved by any assessment made on him as hereinbefore provided or who claims that his name has been wrongly included in the list or that the name of any occupier has been wrongly omitted from the list, may appeal to the Commissioner of the district and the Commissioner shall consider and determine every such appeal and his decision thereon shall be final and conclusive ;

(c) if, as a result of a decision by the Commissioner, it

becomes necessary to make any re-adjustment in any assessment or to delete or insert the name of any person, the Commissioner shall proceed to make the necessary re-adjustments and rectifications of the list :

Provided that the Commissioner shall not increase the amount payable by any person or insert the name of any person in the list, unless he first gives notice thereof to such person and affords him an opportunity to oppose such increase or insertion;

- (d) the list, as finally rectified, shall be filed in the office of the Commissioner and shall be conclusive evidence that every person named therein is liable to pay the amount of money therein set out and a copy of such list shall be posted in a conspicuous place in the village;
- (e) the Commissioner shall, in every year, and until final repayment of the loan, revise the list with the assistance of the mukhtar and shall cause a copy of the revised list to be posted in a conspicuous place in the village, bearing the date of such posting, and, thereupon, the provisions of paragraphs (a), (b), (c) and (d) shall apply *mutatis mutandis* in respect of such list:

Provided that such posting shall be made in the year of revision on a date being not later than twenty-eight days from the corresponding date of the year in which the Order was made:

Provided further that the Commissioner shall, at every such annual revision, add to the amount payable by the occupiers any irrecoverable arrears of the last year;

- (f) every person whose name appears in the list shall pay the amount due to the mukhtar not later than the date of payment as set out in the list and the mukhtar shall issue to the payer a receipt which shall be exempt from stamp duty;
- (g) as soon as may be after the date of payment, the mukhtar shall pay into the District Treasury all amounts collected by him as in paragraph (f) provided and shall forward to the Commissioner a list containing the names of all persons who have made default in the payment of the amount due;



- (h) the Commissioner, upon receipt of the names of the defaulters, shall forward to the Comptroller of Inland Revenue a certificate under his hand recording the names of the defaulters and the amount due and payable by each defaulter and the Comptroller, upon receipt of such certificate, shall issue a warrant authorising the collection of such amount together with an increase of twenty-five per centum. Every such warrant will be in the like form with the necessary modifications as a warrant issued under the Tax Collection Law, and shall be enforced and the like proceedings may be had thereon as if it were a warrant issued under the said Law; Cap. 329.
- (i) all monies paid into the District Treasury and all monies collected shall be paid to the Loan Commissioners to meet the service of the loan with reference to which the payments and collections were made and any surplus collected under the provisions of this section shall be passed in the books of the Commissioner to the credit of the village concerned to be used for the settlement of any other liabilities of the defunct local authority any surplus being utilised for such purpose of public utility in the village as may be approved by the Commissioner.

(2) If a mukhtar fails to perform any of his duties or do any of the acts imposed upon him by this section, the Commissioner may, by writing under his hand, appoint a person to perform the said duties or do the said acts and the duties or acts performed or done by such person shall be as valid and effective as if performed or done by the mukhtar; and the Commissioner may prescribe the time or times for the performance of such duties or the doing of such acts notwithstanding that the periods in this section set out have elapsed owing to the default of the mukhtar.

(3) For the purposes of this section—

“local authority” means—

- (a) a Village Health Commission constituted or functioning under the Public Health (Villages) Law; Cap. 259.
- (b) a Board constituted or functioning under the provisions of the Villages (Administration and Improvement) Laws; Cap. 243.

“mukhtar” means the mukhtar of the village in

which the local authority was functioning and, where there is more than one mukhtar, such one of the mukhtars as may be nominated by the Commissioner for the purposes of this section;

“ occupier ” means—

- (a) any person in actual occupation of any immovable property in the village without regard to the title under which he occupies such property or, in the case of an unoccupied immovable property, the person entitled to the occupation thereof; and
- (b) the owner of any movable property in the village.

Power in relation to rate where default made.

11. Where a loan made by the Commissioners to any local authority is secured by the mortgage of any rate, fee or duty, and default is made in making payment according to the terms of such mortgage, then, at any time after such default, the Commissioners may, without prejudice to any other remedy, by notice in writing served on the mortgagor, declare their intention to exercise the power conferred by this Law, and thereupon the Commissioners shall have and may exercise the same power as the mortgagor of imposing and levying the rate, fee or duty mortgaged, and for that purpose the Commissioners may appoint an officer who, subject to the direction of the Commissioners, shall have and may exercise the same powers, authorities and duties as if he had been appointed by the mortgagor.

The Commissioners in making an estimate of the rate to be levied for the purpose of paying any sum due, may add such sum as they think sufficient for defraying, and may defray thereout, all costs, charges and expenses, including remuneration to any officer or other person employed, incurred by the Commissioners in the execution of their powers under this section or otherwise by reason of the default in payment.

Any balance remaining on the hands of the Commissioners shall be paid by them to the mortgagor.

The Commissioners may by a like notice declare their intention to relinquish the powers conferred by this section, and that either absolutely or with reservations and conditions, and thereupon all such powers shall revert in the mortgagor subject to the said reservations and conditions.

Security for completion of public work.

12. Where the Commissioners grant a loan in aid of any work which is either partly completed or not commenced, they may take such security for the application of the loan

to the work, and for the due completion of the work as they may think sufficient for securing the interest of the public.

13. (1) Every contract or obligation for securing repayment of a loan made to a Village Community under this Law, shall be executed in accordance with the provisions of the Village Obligations Law; and a certificate purporting to be under the hand of the Administrative Secretary that the persons executing any such contract or obligation on behalf of the Village Community have been authorized by the Governor to do so shall be conclusive evidence of their right to execute it.

Application  
of the Village  
Obligations  
Law.  
Cap. 246.

(2) Where a loan has been made to any Village Community and default is made in making payment according to the terms of the loan, the Governor may, at the request of the Commissioners, and without prejudice to any other remedy, order a special rate to be levied and to continue in force until payment has been made of the sum due.

Such special rate may be made by levying upon the immovable property within the Village Community an additional charge not exceeding two per thousand on the capital value of all property subject to immovable property tax.

14. Any person who when examined by the Loan Commissioners in pursuance of this Law wilfully gives false evidence, or who, for the purpose of obtaining a loan under this Law, wilfully gives information to the Commissioners which is false in any material particular, shall be guilty of perjury and shall be punishable as though he had given false evidence in a judicial proceeding.

Perjury.

15. The Loan Commissioners shall at the close of every financial year pay into the revenue of Cyprus such amount as may be agreed between the Loan Commissioners and Government for expenses incurred by Government in maintaining accounts and other administrative expenses of the Fund.

Payments  
into  
revenue.

16. When any loan made by the Loan Commissioners is made repayable by instalments, and default is made in repayment of any instalment as and when it becomes payable to the Loan Commissioners, or where default is made in payment of any interest due to the Loan Commissioners as and when it becomes payable to the Loan

Whole loan  
and interest  
repayable  
when any  
default  
made.

Commissioners, in every such case the whole loan and all interest thereon, until the date when the whole loan or the last instalment thereof is payable, shall become due and payable to the Loan Commissioners, and may be sued for and recovered against all persons liable to pay it, either as principals or sureties, or the Commissioners may at their option sue for and recover any instalment or interest due and unpaid.

Debt to Loan Commissioners preferred.

17. Every debt due to the Loan Commissioners shall have preference over all other debts thereafter contracted by the debtor saving only debts due to the Government having preference under any Law.

Things purchased with loan not liable to execution until loan paid off.

18. Where any moneys received on loan from the Loan Commissioners are expended on the purchase of any animal, plant, implement or thing used for agriculture or trade, such animal, plant, implement or thing shall not be liable to be taken in execution for the debt of any person other than the Loan Commissioners so long as any portion of the loan or interest thereon is unpaid to the Loan Commissioners.

Employment by Loan Commissioners of staff.

19. The Loan Commissioners with the sanction of the Governor may employ such agents, clerks or assistance, and incur such charges as they may consider expedient, and may defray from the profits arising from their transactions any costs or charges incurred by them in carrying out this Law.

Statement of loans to be published in Gazette.

20. A statement showing all loans made by the Loan Commissioners, and giving the names of the persons to whom the loans are made and the amount lent shall be published quarterly in the Gazette.

Any loan purporting to be made under this Law, and not disallowed to be deemed authorized.

21. Any loan purporting to be made by the Loan Commissioners under this Law and not disallowed by the Governor shall be deemed to be a loan authorized by this Law.

Power to Loan Commissioners to borrow at a rate not exceeding five per cent.

22. The Loan Commissioners may hereafter borrow money at such rate of interest as may be from time to time sanctioned by the Governor not exceeding the rate of five per centum per annum and the repayment of the principal and interest of the moneys so borrowed shall form a first charge on the fund:

Provided always that the Loan Commissioners shall not be in any wise personally liable for any matter arising in respect of such advance.

23. In all loans made to the Loan Commissioners the obligation for securing repayment may be in the form in the First Schedule, and may be executed by any two of the Loan Commissioners by order and on behalf of the Board of Commissioners.

Security may be executed by any two Loan Commissioners: First Schedule.

24. The forms in the Second Schedule may be used in the case of loans to Village Communities, and shall be deemed sufficient.

Forms. Second Schedule.

### FIRST SCHEDULE.

(Section 23.)

This Agreement made this            day of            19            , between            of            of the one part and            and            for and on behalf of the Board of Commissioners established under the Public Loans Law, Cap. 208 (hereinafter called "the Loan Commissioners") of the other part.

Witnesseth that in consideration of the sum of            this day advanced by the said            to the Loan Commissioners (the receipt whereof for the purposes of the Public Loans Law, Cap. 208, the Loan Commissioners do hereby acknowledge) the Loan Commissioners do hereby agree to repay the said sum of            on the first day of April, 19            , with interest for the same in the meantime at the rate of            per centum per annum by equal half-yearly payments on the first day of April and the first day of October in every year, the first of such payments to be made on the            day of            19            .

Provided always and it is hereby agreed and declared that the Loan Commissioners shall not be in any wise personally liable for any matters arising out of this Agreement.

And it is hereby further agreed and declared that this Agreement shall be construed and determined in all respects according to English law.

In witness whereof the said            has hereunto set his hand and the said            and            have hereunto set their hands by order and on behalf of the said Loan Commissioners.

### SECOND SCHEDULE.

(Section 24.)

FORM OF AGREEMENT IN CASE OF A LOAN TO A VILLAGE COMMUNITY REPAYABLE BY INSTALMENTS.

This agreement made this            day of            , 19            , between            Accountant-General, for and on behalf of the Board of Commissioners established by the Public Loans Law, Cap. 208 (who are hereinafter referred to as "the Loan Commissioners") of the one part and            the mukhtar and            one of the azas of the village of            of the other part.

Witnesseth that the said                    and                    in pursuance of the Village Obligations Law, Cap. 246, and the Public Loans Law, Cap. 208 and in consideration of the payment of the sum of £                    advanced under the Public Loans Law, Cap. 208, (the receipt whereof the said                    and                    hereby acknowledge) do hereby                    on behalf of the community of the said village promise and undertake to repay the said sum of £                    with interest thereon or on so much thereof as shall immediately prior to the payment of each of the instalments hereinafter mentioned remain unpaid after the rate of                    per centum per annum by                    annual instalments of £                    the first of which shall be due and payable on the                    day of                   , 19                   , and the remaining                    upon the                    day of                    in each of the                    succeeding years and to pay interest at the rate of                    per centum per annum on any amounts that may be overdue and in arrear.

In witness whereof the said                    and                    as such mukhtar and aza as aforesaid have set their hands hereto on behalf of the community of the said village and the said                    has set his hand by order and on behalf of the said Loan Commissioners.

(Signed)

FORM OF CERTIFICATE BY COLONIAL SECRETARY UNDER SECTION 13  
(TO BE ADDED WHERE NECESSARY TO THE ABOVE FORM).

I hereby certify that the above named                    and                    have been duly authorized by His Excellency the Governor to execute the above written obligation on behalf of the said village.

(Signed)

*Administrative Secretary.*