



SUPPLEMENT No. 3

TO

**THE CYPRUS GAZETTE No. 2822 OF 26TH MARCH, 1940.
SUBSIDIARY LEGISLATION.**

No. 110.

THE EMERGENCY POWERS (DEFENCE) ACT, 1939.

REGULATIONS MADE BY THE GOVERNOR UNDER SECTION 1.

W. D. BATTERSHILL,
Governor.

G. 48/723
41/229
41/321

In exercise of the powers vested in him by section 1 of the Emergency Powers (Defence) Act, 1939, His Excellency the Governor has been pleased to make and hereby makes the following regulations:—

1. These regulations may be cited as the Emergency Powers (Cyprus Defence) (Finance) Regulations, 1940, and shall come into operation on and from the date of their publication in the *Gazette*.

Citation and date of coming into operation.

2. In these regulations:—

Interpretation.

“currency notes” means currency notes which are legal tender in the Colony or in any part thereof;

“British bank” includes,—

(a) every company formed and registered under the provisions of the Companies (Limited Liability) Laws, 1922 to 1938, and carrying on banking business in the Colony,

(b) every company incorporated in the United Kingdom and having established a place of business in the Colony and carrying on banking business in the Colony, and

(c) The Ottoman Bank;

“foreign currency” means any currency other than sterling or currency notes;

“gold” means gold coin or gold bullion;

“immigration officer” means an immigration officer for the purposes of the Immigration Laws, 1936 to 1939;

“owner,” in relation to any security, includes any person who has power to sell or transfer the security, or who has the custody thereof, or who receives, whether on his own behalf or on behalf of any other person, dividends or interest thereon, or who has any other interest therein;

“security” includes shares, stock, bonds, notes, debentures, debenture stock and Treasury bills, but does not include a bill of exchange or, save as otherwise expressly provided, a promissory note or a deposit receipt; and

“sterling” means British sterling and includes British bank notes.

Acquisition
by Governor
of certain
securities.

3.—(1) The Governor may by order direct—

- (a) that, subject to any exemptions for which provision may be made by the order, no person shall, except with permission granted by or on behalf of the Governor, sell, transfer, or do anything which involves the creation of a charge on, securities of any such class as may be specified in the order, being a class of securities which, in the opinion of the Governor, are likely to be marketable outside the Colony, and
- (b) that the owner of any securities of the said class shall, in such manner and within such period as may be specified in the order, make a return to such person as the Governor may direct giving such particulars with respect to those securities as may be so specified.

For the purposes of this paragraph a person who mortgages or pledges a security shall be deemed thereby to create a charge on the security.

(2) At any time while an order made under the preceding paragraph with respect to securities of any class is in force, the Governor, if he is of the opinion that it is expedient so to do, may, by an order made generally with respect to any specified securities of that class, or by directions given with respect to any securities of that class of which any particular person is the owner, transfer to himself the securities to which the order or directions relates or relate at a price which, in the opinion of the Governor, is not less than the market value of the securities on the date of the making of the order or the giving of the directions. Such price shall be specified in an order or direction made or given not later than five days after the date of the order or direction by which the securities were transferred.

(3) Where any order is made, or any directions are given, under the last preceding paragraph with respect to any securities—

- (a) those securities shall forthwith vest in the Governor free from any mortgage, pledge or charge, and the Governor may deal with the securities as he thinks fit;
- (b) the owner of any of those securities, and any person who is responsible for keeping any register or book in which any of those securities is registered or inscribed or who is otherwise concerned with the registration or inscription of any of those securities, shall do all such things as are necessary or as the Governor or a person appointed by the Governor on his behalf may direct to be done for the purpose of securing that the security and any document of title relating thereto will be delivered to the Governor or to such person as the Governor may direct and, in the case of any registered or inscribed security, that the security will be registered or inscribed in the name of the Governor or such person as the Governor, may direct.

(4) The duty to deliver any security under the last preceding paragraph shall include a duty to do all such things as are necessary to secure that any dividends or interest on that security becoming payable on or after the date of the making of the order or the giving of the directions will be paid to the Governor; and where, in the case of any security payable to bearer which is delivered in pursuance of the said paragraph, any coupons representing any such dividends or interest are not delivered with the security, such reduction in the price payable therefor shall be made as the Governor thinks fit:

Provided that, where the price specified in the order or directions in relation to any securities is ex any dividend or ex any interest, this paragraph shall not apply to that dividend or interest or to any coupon representing it.

(5) A certificate signed by any person authorized in that behalf by the Governor that any specified securities are securities transferred to the Governor under this regulation shall be treated by all persons responsible for keeping any registers or books in which the securities are registered or inscribed, or who are otherwise concerned with the registration or inscription of those securities, as conclusive evidence that the securities have been so transferred.

(6) This regulation shall not apply to any security if the Governor is satisfied that at all times since the beginning of the third day of September, nineteen hundred and thirty-nine, all the persons interested in the security, other than persons interested therein merely as trustees or merely by virtue of any mortgage, pledge or charge created before the said day, but including any persons beneficially interested therein under a trust, were not resident in the Colony.

(7) Where, by virtue of sub-paragraph (a) of paragraph (3) of this regulation, any security has become vested in the Governor, then, at any time before the steps required by sub-paragraph (b) of that paragraph to be taken in relation to that security have been taken, the Governor may, by a declaration made in writing on his behalf, divest himself of the security; and thereupon the order or directions in consequence of which the security so became vested in the Governor shall be deemed, for all purposes, not to have been made or given with respect to that security.

(8) For the purposes of this regulation, the expression "security" includes a deposit receipt in respect of the deposit of securities.

4.—(1) Except with permission granted by or on behalf of the Governor, no person other than an authorized dealer shall, in the Colony, buy or borrow any foreign currency or any gold from, or lend or sell any foreign currency or any gold to, any person not being an authorized dealer.

Restriction on purchase, sale and loans of foreign currency and gold.

(2) In this regulation the expression "authorized dealer" means, in relation to any transaction in respect of gold, a British bank authorized by or on behalf of the Governor to deal in gold, or, in relation to any transaction in respect of foreign currency, a British bank authorized by or on behalf of the Governor to deal in foreign currency.

5.—(1) Subject to any exemptions which may be granted by order of the Governor, no person shall, except with permission granted by or on behalf of the Governor,—

Restriction on export of currency, gold and securities, etc.

(a) take or send out of the Colony any sterling, currency notes, postal orders, gold, securities or foreign currency, or

(b) transfer any security from a register in the Colony to a register outside the Colony, or do any act which is calculated to secure, or forms part of a series of acts which together are calculated to secure, the substitution, for any security which is either in or registered in the Colony, of a security which is either outside or registered outside the Colony, or

(c) draw, issue or negotiate any bill of exchange or promissory note, transfer any security or acknowledge any debt, so that a right (whether actual or contingent) to receive a payment in the Colony is created or transferred in favour of a person who is resident outside the Colony, or make any payment to any such person, or

(d) draw, issue or negotiate any bill of exchange or promissory note, transfer any security or acknowledge any debt, so that a right

(whether actual or contingent) to receive a payment in the Colony is created or transferred as consideration—

(i) for receiving a payment, or acquiring property, outside the Colony, or

(ii) for a right (whether actual or contingent) to receive a payment, or acquire property, outside the Colony,

or make any payment as such consideration,

and the Governor or a person acting on his behalf may impose such restrictions on the making of payments and the doing of any other acts by bankers in the course of their business as appear to the Governor to be necessary or expedient for the purpose of securing the due enforcement of sub-paragraphs (c) and (d) of this paragraph.

(2) The preceding paragraph shall not restrict the doing of anything, within the scope of his authority, by a person authorized by or on behalf of the Governor to deal in foreign exchange, and shall not restrict the doing of anything which is certified by or on behalf of the Governor to be necessary for the purpose—

(a) of meeting the reasonable requirements of a trade or business carried on in the Colony, or

(b) of performing a contract made before the third day of September, nineteen hundred and thirty-nine, or

(c) of defraying reasonable travelling or other personal expenses.

(3) Any person who on any occasion is about to leave the Colony (which person is hereafter in this paragraph referred to as "the traveller") shall, if requested so to do by the appropriate officer,—

(a) declare whether or not he has with him any sterling, currency notes, postal orders, gold, securities or foreign currency;

(b) produce any sterling, currency notes, postal orders, gold, securities or foreign currency which he has with him;

and the appropriate officer and any person acting under his directions may search the traveller and examine or search any article which the traveller has with him, for the purpose of ascertaining whether he has with him any sterling, currency notes, postal orders, gold, securities or foreign currency, and may seize any sterling, currency notes, postal orders, gold, securities or foreign currency produced or found upon such examination or search unless either—

(i) the appropriate officer is satisfied that the traveller is, in respect of all sterling, currency notes, postal orders, gold, securities or foreign currency which he has with him on the said occasion, exempt from the restriction imposed by sub-paragraph (a) of paragraph (1) of this regulation; or

(ii) the traveller produces to the appropriate officer a single certificate granted by or on behalf of the Governor showing, with respect to all sterling, currency notes, postal orders, gold, securities or foreign currency which he has with him on the said occasion, that the taking out by him of the sterling, currency notes, postal orders, gold, securities or foreign currency does not involve a contravention of that sub-paragraph:

Provided that no female shall be searched in pursuance of this paragraph except by a female.

(4) Nothing in the preceding provisions of this regulation shall apply in relation to the taking or sending of anything from one part of the Colony to another, or in relation to any person travelling between one part of the Colony and another.

(5) As respects any goods consigned from the Colony to a destination which is not in the Colony, the appropriate officer and any person acting under his directions may examine or search the goods for the purpose of ascertaining whether there are being sent therewith any sterling, currency notes, postal orders, gold, securities or foreign currency, and may seize any sterling, currency notes, postal orders, gold, securities or foreign currency found upon such examination or search unless there appears to the appropriate officer to have been granted by or on behalf of the Governor a certificate which shows that the sending as aforesaid of the sterling, currency notes, postal orders, gold, securities or foreign currency does not involve a contravention of paragraph (1) of this regulation.

(6) For the purposes of this regulation—

- (a) any bills of exchange or promissory notes payable otherwise than in sterling shall be deemed to be foreign currency ;
- (b) the expression “ security ” includes a deposit receipt in respect of the deposit of securities ;
- (c) the expression “ transfer ” includes transfer by way of loan or security ; and
- (d) the expression “ the appropriate officer ” means any customs officer, any immigration officer, any police officer or any person authorized by the Governor to act under paragraphs (3) and (5) of this regulation ;

and for the purposes of so much of paragraph (1) of this regulation as restricts the taking or sending of securities out of the Colony, documents of title relating to securities shall be deemed to be securities, and references to securities in paragraphs (3) and (5) of this regulation shall be construed as including references to such documents of title as aforesaid.

6.—(1) Every person resident in the Colony who at the date on which this regulation comes into operation is, or after that date becomes, entitled to sell, or to procure the sale of, any gold shall offer that gold, or cause it to be offered, for sale to the Governor or to a person designated by the Governor for the purposes of this regulation, at such price as may be determined by or on behalf of the Governor :

Acquisition
by Governor
of gold coin
and bullion.

Provided that the preceding provisions of this paragraph shall not impose upon any person an obligation to offer any gold for sale or to cause any gold to be offered for sale, if—

- (a) he satisfies the Governor or a person so designated—
 - (i) that all the persons interested in that gold, other than persons interested therein merely as trustees or merely by virtue of any mortgage, pledge or charge created before the third day of September, nineteen hundred and thirty-nine, but including any persons beneficially interested in the gold under a trust, are not resident in the Colony, or
 - (ii) that the gold is required for the purpose of performing a contract made before the said day, or
 - (iii) that the gold is held for the purpose of meeting the reasonable requirements of a trade or business carried on in the Colony otherwise than by way of dealing in gold, or
- (b) he is, in respect of that gold, exempted from this regulation by the Governor or by a person so designated.

(2) Where a person has become bound under paragraph (1) of this regulation to offer, or cause to be offered, any gold for sale, and has not done so, the Governor may direct that that gold shall vest in the Governor, and it shall vest in the Governor accordingly free from any mortgage, pledge or charge, and the Governor may deal with it as he thinks fit,

but the Governor shall pay to the person who would but for the direction be entitled to possession of the gold such price in respect thereof as may be determined by or on behalf of the Governor.

Acquisition
by Governor
of certain
foreign
currency,
etc.

7.—(1) Every person resident in the Colony who at the date on which this regulation comes into operation is, or after that date becomes, entitled to sell, or to procure the sale of, any foreign currency to which this regulation applies shall offer it, or cause it to be offered, for sale to the Governor, or to a person designated by the Governor for the purposes of this regulation, at such price as may be determined by or on behalf of the Governor.

(2) Where a person has become bound under paragraph (1) of this regulation to offer, or cause to be offered, any foreign currency for sale, and has not done so, the Governor may direct that that currency shall vest in the Governor and it shall vest in the Governor accordingly free from any mortgage, pledge or charge, and the Governor may deal with it as he thinks fit, but the Governor shall pay to the person who would but for the direction be entitled to possession of the currency such price in respect thereof as may be determined by or on behalf of the Governor.

(3) Every person resident in the Colony who at the date on which this regulation comes into operation is, or after that date becomes, entitled to assign, or to procure the assignment of, any right to receive outside the Colony, in respect of any credit or balance at a bank, payment of any amount in a foreign currency to which this regulation applies, shall, unless the Governor or a person designated by the Governor for the purposes of this regulation gives him notice to the contrary, do all things necessary for the purpose of assigning that right to the Governor or to a person so designated.

The sum payable as consideration for any assignment made in accordance with this paragraph shall be such as may be determined by or on behalf of the Governor.

(4) The preceding provisions of this regulation shall not impose upon any person an obligation in respect of any currency or right to receive payment for any amount, if—

(a) he satisfies the Governor or a person designated by the Governor for the purposes of this regulation that all the persons interested in that currency or right, other than persons interested therein merely as trustees or merely by virtue of any mortgage, pledge or charge created before the third day of September, nineteen hundred and thirty-nine, but including any persons beneficially interested in the currency or right under a trust, are not resident in the Colony, or

(b) he satisfies the Governor or a person so designated that the currency or amount, as the case may be, is held or is required for the purpose—

(i) of performing a contract made before the third day of September, nineteen hundred and thirty-nine, or

(ii) of meeting the reasonable requirements of a trade or business carried on in the Colony otherwise than by way of dealing in foreign exchange, or

(iii) of defraying reasonable travelling or other personal expenses, or

(c) he is, in respect of that currency or right, as the case may be, exempted from this regulation by the Governor or by a person so designated.

(5) The foreign currency to which this regulation applies is such foreign currency as may from time to time be designated by the Governor for the purposes of this regulation, by notice published in the *Gazette*.

(6) Where any goods are exported from the Colony, the person making entry of the goods shall, if required so to do by or on behalf of the Comptroller of Customs and Inland Revenue, deliver to the Collector or other proper officer, together with the entry, a declaration in such form, signed by such person, and containing such information relating to the export of the goods and the sum to be received or which is expected to be received in respect of the goods, as the said Comptroller may require with a view to facilitating the enforcement of this regulation and the obtaining of information as to the amounts obtainable in foreign currency (whether a foreign currency to which this regulation applies or not) by reason of the export of goods.

Without prejudice to any liability to penalties under Part X of the Emergency Powers (Cyprus Defence) Regulations, 1939 to (No. 1) 1939, any such declaration shall, for the purposes of section 53 of the Customs Laws, 1936 to 1939, (which imposes penalties on making false declarations), be deemed to be a declaration in a matter relating to the Customs; and if any goods in respect of which a declaration has been required under this paragraph to be delivered are shipped, put off, or water-borne to be shipped, without the declaration having been delivered in accordance with this paragraph, the goods shall be liable to forfeiture under the enactments relating to the Customs.

Gazettes :
Supplement
No. 3 :
30. 8.1939
10.11.1939
31 of 1936
32 of 1937
21 of 1938
34 of 1938
22 of 1939

8—(1) Without prejudice to any power conferred on the Governor by any of the preceding provisions of these regulations, the Governor, by an order made by him generally with respect to any description of securities, or by a certificate given by him or on his behalf with respect to any particular securities, may exempt the securities to which the order or certificate relates from the provisions of regulations 3 to 7 of these regulations.

General
power to
exempt
securities.

(2) An order or certificate under the preceding paragraph shall be deemed to relate not only to the securities specified in the order or certificate, but also to any security to which the owner of securities so specified may become or has become entitled as such, either by way of bonus or in consequence of any conversion operation, amalgamation or reconstruction.

(3) Nothing in any order under paragraph (1) or paragraph (2) or in paragraph (3) of regulation 3 of these regulations, and nothing in regulation 5 of these regulations, shall apply in relation to any security to which an order or certificate under this regulation relates, and nothing in regulation 7 of these regulations shall apply in relation to any amount of currency which an owner of any such security has become entitled as such to receive.

(4) Any order or certificate made or given by the Governor under regulation 7 of the Emergency Powers (Cyprus Defence) (Finance) Regulations, 1939 to (No. 1) 1939, before the date of the coming into operation of these regulations, shall be deemed for the purposes of these regulations to be an order or certificate made or given under this regulation.

Gazettes :
Supplement
No. 3 :
8. 9.1939
25.10.1939

(5) For the purposes of this regulation, the expression "security" includes a deposit receipt in respect of the deposit of securities.

9.—(1) Subject to such exemptions as may be granted by order of the Governor, it shall not be lawful, except with the consent of the Governor and in accordance with such conditions as the Governor may impose, to make an issue of capital in the Colony, to make, in the Colony, any public offer of securities for sale, or to renew or postpone the date of maturity of any security maturing for repayment in the Colony.

Control of
capital
issues.

(2) Subject to such exemptions as may be granted by order of the Governor, it shall not be lawful to issue any prospectus or other document offering for subscription, or publicly offering for sale, any securities which does not include a statement that the consent of the Governor has been obtained to the issue or offer of the securities.

(3) For the purposes of this regulation a person shall be deemed to make an issue of capital who—

- (a) issues any securities (whether for cash or otherwise), or
 (b) receives any money on loan on the terms, or in the expectation, that the loan will or may be repaid wholly or partly by the issue of any securities, or by the transfer of any securities issued after the making of the loan.

(4) A security shall not be invalid by reason that the consent of the Governor has not been given to the issue thereof, or that any condition imposed by the Governor in relation to the issue thereof have not been complied with, but nothing in this paragraph shall be construed as modifying the liability of any person to any penalty in respect of any failure to obtain such consent or to comply with such conditions.

(5) In this regulation, references to securities and to the issue of securities respectively include, as from the date of the coming into operation of these regulations, references to any mortgage or charge, whether legal or equitable, and to the creation of, or the increasing of the amount secured by, any such mortgage or charge; and the expression "security" includes a promissory note of a local authority and a deposit receipt for money lent issued by a local authority or by any person carrying on any business other than the business of banking.

Exemption from stamp duty.

10.—(1) Stamp duty shall not be chargeable on any security by reason only of the assignment, transfer or negotiation thereof to the Governor, and shall not be chargeable on any instrument whereby any security is assigned or transferred to the Governor (whether on sale or otherwise).

(2) This regulation applies only in relation to assignments, transfers, negotiations or sales of securities effected during the continuance in force of this regulation, whether in compliance with these regulations or otherwise.

Power to obtain information.

11. Without prejudice to any special provision contained in these regulations, the Governor, or a person authorized by or on behalf of the Governor, may, for the purpose of securing compliance with these regulations, give to any person directions requiring him, within such time, in such a manner and to such person as may be specified in the directions, to furnish such information as may be so specified and to produce for inspection any relevant books, accounts or other documents.

Application of certain provisions of Emergency Powers (Cyprus Defence) Regulations, 1939 to (No. 1) 1939.

12. The provisions of Part X of the Emergency Powers (Cyprus Defence) Regulations, 1939 to (No. 1) 1939, shall apply for the purpose of the enforcement of these regulations, and otherwise in relation thereto, as if any reference in the said Part X to those regulations included a reference to these regulations.

Gazettes :
 Supplement
 No. 3 :
 30. 8.1939
 10.11.1939

Provision as to payments by Governor.

13. Nothing in the preceding provisions of these regulations relating to the payment of any price by the Governor shall be construed as requiring the Governor to pay that price otherwise than in currency notes or sterling or otherwise than in the Colony.

Repeal.
 Gazettes :
 Supplement
 No. 3 :
 8. 9.1939
 25.10.1939

14. The Emergency Powers (Cyprus Defence) (Finance) Regulations, 1939 to (No. 1) 1939, are hereby repealed, without prejudice to anything done or left undone thereunder. (M.P. 172/38.)