

SCHEDULE II.

To the _____ Company.
 I _____ of _____ do hereby give
 (pledgee) of _____ (address) you notice that
 (pledgor) of _____ (address) has this day
 pledged with me the certificates of shares registered in
 his name in the books of the Company to secure the repayment to me of
 the sum of £ _____ with interest thereon at the rate of _____ per
 centum per annum from the _____ day of _____ .
 Signed _____ .

Dated _____

COMPANIES.

18 OF 1922.⁽¹⁾

TO PROVIDE FOR THE FORMATION OF COMPANIES WITH LIMITED
 LIABILITY.

MALCOLM STEVENSON.]

[March 31, 1922.]

1. This Law may be cited as the Companies (Limited Liability) Short title
 Law, 1922.

2. In this Law, unless the context otherwise requires, the following Interpretation.
 expressions have the meanings hereby assigned to them (that is
 to say):—

“ Company ” means a company formed and registered under
 this Law;

“ Articles ” means the articles of association of a company, as
 originally framed or as altered by special resolution, including,
 so far as they apply to the company, the regulations contained
 in Table A;

“ Memorandum ” means the memorandum of association of a
 company, as originally framed or as altered in pursuance of the
 provisions of this Law;

“ Document ” includes summons, notice, order, and other legal
 process, and registers;

“ Share ” means share in the share capital of the company;

“ Books and papers ” and “ books or papers ” include accounts,
 deeds, writings, and documents;

“ The Registrar of Companies,” or, when used in relation to
 registration of companies, “ the registrar,” means the registrar
 or other officer performing under this Law the duty of registra-
 tion of companies;

(¹) For contents see Index p. 994.

“ The Court ” used in relation to a company means the District Court of the district in which the registered office of the company is situate;

“ General rules ” means general rules made under this Law and includes forms;

“ Prescribed ” means, prescribed by general rules made by the High Commissioner in Council;

“ Director ” includes any person occupying the position of director by whatever name called;

“ Prospectus ” means any prospectus, notice, circular, advertisement, or other invitation, offering to the public for subscription or purchase any shares of a company.

Formation of companies.

3.—(1.) All companies with limited liability formed after the date of the coming into operation of this Law⁽¹⁾ shall be formed and registered under this Law and not otherwise.

Registering of existing companies under this Law.

(2.) Any company with limited liability formed in Cyprus before the date of the coming into operation of this Law may be formed and registered under this Law upon complying with the provisions of this Law as to registration. The fees on registration under this Law shall not be charged in respect of the registration of such reconstituted company.

Insurance business not allowed.

4. No company may be incorporated under this Law for the purpose of carrying on the business of assurance either with or without any other business.

CONSTITUTION AND INCORPORATION.

Memorandum of Association.

Mode of forming company.

5. Any seven or more persons (or, where the company to be formed will be a private company within the meaning of this Law, any two or more persons) associated for any lawful purpose may, by subscribing their names to a memorandum of association and otherwise complying with the requirements of this Law in respect of registration, form a company, with limited liability (that is to say), a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them.

Memo-randum of company.

6.—(1.) The memorandum must state:—

- (i.) The name of the company, with “ Limited ” as the last word in its name;

⁽¹⁾ 1st of July, 1922, see s. 154.

- (ii.) The address in Cyprus in which the registered office of the company is to be situate;
- (iii.) The objects of the company;
- (iv.) That the liability of the members is limited;
- (v.) The amount of share capital with which the company proposes to be registered, and the division thereof into shares of a fixed amount.

(2.) No subscriber of the memorandum may take less than one share.

(3.) Each subscriber must write opposite to his name the number of shares he takes.

(4.) A petition shall be made to the Court for the approval of the memorandum and the Court, if it shall think fit, may either approve the same or approve it subject to such amendment as the Court may prescribe.

7. The memorandum must be signed by each subscriber in the presence of at least one witness who must attest the signature.

Signature
of memo-
randum.

8. A company may not alter the conditions contained in its memorandum except in the cases and in the mode and to the extent for which express provision is made in this Law.

Restriction
on alteration.

9.—(1.) A company may not be registered by a name identical with that by which a company in existence is already registered, or so nearly resembling that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signifies its consent in such manner as the Registrar requires.

Name of
company
and change
of name.

(2.) If a company, through inadvertence or otherwise, is, without such consent as aforesaid, registered by a name identical with that by which a company in existence is previously registered, or so nearly resembling it as to be calculated to deceive, the first-mentioned company may, with the sanction of the Registrar, change its name.

(3.) Any company may, by special resolution and with the approval of the High Commissioner signified in writing, change its name.

(4.) Where a company changes its name, the Registrar shall enter the new name on the register in place of the former name, and shall issue a certificate of incorporation altered to meet the circumstances of the case.

(5.) The change of name shall not affect any rights or obligations of the company, or render defective any legal proceedings by or

against the company, and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.

Alteration
of objects of
company.

10.—(1.) Subject to the provisions of this section a company may, by special resolution, alter the provisions of its memorandum with respect to the objects of the company, subject to this being confirmed on petition by the Court.

(2.) Before confirming the alteration the Court must be satisfied—

(a.) that sufficient notice has been given to any persons or class of persons whose interests will, in the opinion of the Court, be affected by the alteration; and

(b.) that, with respect to every creditor who in the opinion of the Court is entitled to object, and who signifies his objection in manner directed by the Court, either his consent to the alteration has been obtained or his debt or claim has been discharged or has determined, or has been secured to the satisfaction of the Court:

Provided that the Court may, in the case of any person or class, for special reasons, dispense with the notice required by this section.

(3.) The Court may make an order confirming the alteration either wholly or in part, and on such terms and conditions as it thinks fit, and may make such order as to costs as it thinks proper.

(4.) An office copy of the order confirming the alteration, together with a printed copy of the memorandum as altered, shall, within fifteen days from the date of the order, be delivered by the company to the Registrar of Companies, and he shall register the same, and shall certify the registration under his hand, and the certificate shall be conclusive evidence that all the requirements of this Law with respect to the alteration and the confirmation thereof have been complied with, and thenceforth the memorandum so altered shall be the memorandum of the company.

The Court may by order at any time extend the time for the delivery of documents to the Registrar under this section for such period as the Court may think proper.

(5.) If a company makes default in delivering to the Registrar of Companies any document required by this section to be delivered to him, the company shall be liable to a fine not exceeding two pounds for every day during which it is in default.

Registration
of articles.

11.—(1.) The High Commissioner in Council shall make rules providing a general form of articles of association hereinafter referred to as "Table A."

(2.) Subject to the approval of the Court, there shall be registered with the memorandum articles of association signed by the subscribers to the memorandum and prescribing regulations for the company.

(3.) Articles of association may adopt, either specifically or by reference, all or any of the regulations contained in Table A.

(4.) A petition shall be made to the Court for approval of the articles of association, and the Court, if it shall think fit, may either approve the same or approve them subject to such amendments as the Court may prescribe.

12. Articles must—

- (a.) be printed or type-written;
- (b.) be divided into paragraphs numbered consecutively;
- (c.) be signed by each subscriber of the memorandum of association in the presence of at least one witness who must attest the signature.

Form and signature of articles.

13. Subject to the provisions of this Law and to the conditions contained in its memorandum, a company may by special resolution alter or add to its articles subject to this being confirmed on petition by the Court; and any alteration or addition so made shall be as valid as if originally contained in the articles, and be subject to alteration in like manner.

Alteration of articles by special resolution.

General Provisions.

14.—(1.) The memorandum and articles shall, when registered, bind the company and the members thereof to the same extent as if they respectively had been signed and sealed by each member, and contained covenants on the part of each member, his heirs, executors, and administrators, to observe all the provisions of the memorandum and of the articles, subject to the provisions of this Law.

Effect of memorandum and articles.

(2.) All money payable by any member to the company under the memorandum or articles shall be a debt due from him to the company.

15. The memorandum and the articles shall be delivered to the Registrar of Companies, and he shall retain and register them.

Registration of memorandum and articles.

16.—(1.) On the registration of the memorandum of a company the Registrar shall certify under his hand that the company is incorporated, and that the company is limited.

Effect of registration.

(2.) From the date of incorporation mentioned in the certificate of incorporation, the subscribers of the memorandum together with such other persons as may from time to time become members of the company, shall be a body corporate by the name contained in

the memorandum, capable forthwith of exercising all the functions of an incorporated company, and having perpetual succession and a common seal, with power to hold lands, but with such liability on the part of the members to contribute to the assets of the company in the event of its being wound up as is mentioned in this Law.

Conclusive-
ness of
certificate of
incorporation.

17.—(1.) A certificate of incorporation given by the Registrar in respect of any association shall be conclusive evidence that all the requirements of this Law in respect of registration and of matters precedent and incidental thereto have been complied with, and that the association is a company authorized to be registered and duly registered under this Law.

(2.) A statutory declaration by an enrolled advocate engaged in the formation of the company, or by a person named in the articles as a director or secretary of the company, of compliance with all or any of the said requirements shall be produced to the Registrar, and the Registrar may accept such a declaration as sufficient evidence of compliance.

Copies of
memo-
randum and
articles to be
given to
members.

18.—(1.) Every company shall send to every member, at his request, and on payment of one shilling or such less sum as the company may prescribe, a copy of the memorandum and of the articles.

(2.) If a company makes default in complying with the requirements of this section, it shall be liable for each offence to a fine not exceeding one pound.

Associations not for Profit.

Restriction
on charitable
and other
companies
holding land.

19. A company formed for the purpose of promoting art, science, religion, charity, or any other like object, not involving the acquisition of gain by the company or by its individual members, shall not, without the licence of the High Commissioner, hold more than two acres of land; but the High Commissioner may by licence empower any such company to hold lands in such quantity, and subject to such conditions, as the High Commissioner thinks fit.

Power to
dispense
with
"Limited"
in name of
charitable
and other
companies.

20.—(1.) Where it is proved to the satisfaction of the High Commissioner that an association about to be formed as a limited company is to be formed for promoting commerce, art, science, religion, charity, or any other useful object, and intends to apply its profits (if any) or other income in promoting its objects, and to prohibit the payment of any dividend to its members, the High Commissioner may by licence direct that the association be registered as a company with limited liability, without the addition of the word "Limited" to its name, and the association may be registered accordingly.

(2). A licence by the High Commissioner under this section may be granted on such conditions and subject to such regulations as the High Commissioner thinks fit, and those conditions and regulations shall be binding on the association, and shall, if the High Commissioner so direct, be inserted in the memorandum and articles, or in one of those documents.

(3.) The association shall on registration enjoy all the privileges of limited companies, and be subject to all their obligations, except those of using the word " Limited " as any part of its name, and of publishing its name, and of sending lists of members and directors and managers to the Registrar of Companies.

(4.) A licence under this section may at any time be revoked by the High Commissioner, and upon revocation the Registrar shall enter the word " Limited " at the end of the name of the association upon the register, and the association shall cease to enjoy the exemptions and privileges granted by this section :

Provided that before a licence is so revoked the High Commissioner shall give to the association notice in writing of his intention, and shall afford the association an opportunity of being heard in opposition to the revocation.

DISTRIBUTION OF SHARE CAPITAL.

21. The shares or other interest of any member in a company shall be personal estate, transferable in manner provided by the Articles of the company, and shall not be of the nature of real estate.

Nature of shares.

22. Each share in a company having a share capital shall be distinguished by its appropriate number.

Shares to be numbered.

23. A certificate, under the common seal of the company, specifying any shares held by any member, shall be *prima facie* evidence of the title of the member to the shares.

Certificate of shares.

24.—(1.) The subscribers of the memorandum of a company shall be deemed to have agreed to become members of the company, and on its registration shall be entered as members in its register of members.

Definition of member.

(2.) Every other person who agrees to become a member of a company, and whose name is entered in its register of members, shall be a member of the company.

25.—(1.) Every company shall keep in one or more books a register of its members, and enter therein the following particulars :—

Register of members.

(i.) The names and addresses, and the occupations, if any, of the members, and a statement of the shares held by each member,

distinguishing each share by its number, and of the amount paid or agreed to be considered as paid on the shares of each member;

- (ii.) The date at which each person was entered in the register as a member;
- (iii.) The date at which any person ceased to be a member.

(2.) If a company fails to comply with this section it shall be liable to a fine not exceeding one pound for every day during which the default continues; and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

Annual list
of members
and
summary.

26.⁽¹⁾—(1.) Every company shall once at least in every year make a list of all persons who, on the fourteenth day after the first or only ordinary general meeting in the year, are members of the company, and of all persons who have ceased to be members since the date of the last return or (in the case of the first return) of the incorporation of the company.

(2.) The list must state the names, addresses, and occupations of all the past and present members therein mentioned, and the number of shares held by each of the existing members at the date of the return, specifying shares transferred since the date of the last return or (in the case of the first return) of the incorporation of the company by persons who are still members and have ceased to be members respectively and the dates of registration of the transfers, and must contain a summary distinguishing between shares issued for cash and shares issued as fully or partly paid up otherwise than in cash, and specifying the following particulars:—

- (a.) The amount of the share capital of the company, and the number of the shares into which it is divided;
- (b.) The number of shares taken from the commencement of the company up to the date of the return;
- (c.) The amount called up on each share;
- (d.) The total amount of calls received;
- (e.) The total amount of calls unpaid;
- (f.) The total amount of the sums (if any) paid by way of commission in respect of any shares since the date of the last return;
- (g.) The total number of shares forfeited;
- (h.) The names and addresses of the persons who at the date of the return are the directors of the company, or occupy the position of directors, by whatever name called; and

(1) See p. 168.

(i.) The total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the Registrar of Companies under this Law.

(3.) The summary must also (except where the company is a private company) include a statement, made up to such date as may be specified in the statement, in the form of a balance sheet, audited by the company's auditors, and containing a summary of its share capital, its liabilities, and its assets, giving such particulars as will disclose the general nature of those liabilities and assets, and how the values of the fixed assets have been arrived at, but the balance sheet need not include a statement of profit and loss.

(4.) The above list and summary must be contained in a separate part of the register of members, and must be completed within seven days after the fourteenth day aforesaid, and the company must forthwith forward to the Registrar of Companies a copy signed by the manager or by the secretary of the company.

(5.) If a company makes default in complying with the requirements of this section it shall be liable to a fine not exceeding one pound for every day during which the default continues, and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

27. No notice of any trust, express, implied, or constructive, shall be entered on the register, or be receivable by the Registrar.

Trusts not to be entered on register.

28. On the application of the transferor of any share or interest in a company, the company shall enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for the entry were made by the transferee.

Registration of transfer at request of transferor.

29. A transfer of the share or other interest of a deceased member of a company made by his personal representative shall, although the personal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Transfer by personal representative.

30.—(1.) The register of members, commencing from the date of the registration of the company, shall be kept at the registered office of the company, and, except when closed under the provisions of this Law, shall during business hours (subject to such reasonable restrictions as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member gratis, and to the inspection

Inspection of register of members.

of any other person on payment of one shilling, or such less sum as the company may prescribe, for each inspection.

(2.) Any member or other person may require a copy of the register, or of any part thereof, or of the list and summary required by this Law, or any part thereof, on payment of four piastres, or such less sum as the company may prescribe, for every hundred words or fractional part thereof required to be copied.

Power to close register.

31. A company may, on giving notice by advertisement in the *Cyprus Gazette* and in some other newspaper circulating in Cyprus close the register of members for any time or times not exceeding in the whole thirty days in each year.

Power of court to rectify register

32. If—

- (a.) the name of any person is, without sufficient cause, entered in or omitted from the register of members of a company; or
- (b.) default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member,

the person aggrieved, or any member of the company, or the company, may make application to the Court for rectification of the register.

Register to be evidence.

33. The register of members shall be *prima facie* evidence of any matters by this Law directed or authorized to be inserted therein.

Personation.

34. If any person falsely and deceitfully personates any owner of any share or interest in any company, and thereby obtains or endeavours to obtain any such share or interest or receives or endeavours to receive any money due to any such owner, as if the offender were the true and lawful owner, he shall be liable to imprisonment with hard labour for any term not exceeding ten years.

Power of company to arrange for different amounts being paid on shares.

35. A company, if so authorized by its articles, may do any one or more of the following things; namely,—

- (1.) Make arrangements on the issue of shares for a difference between the shareholders in the amounts and times of payment of calls on their shares;
- (2.) Accept from any member who assents thereto the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up;
- (3.) Pay dividend in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

Reorganisation of share capital.

36.—(1.) A company may, by special resolution confirmed by an order of the Court, modify the conditions contained in its

its memorandum so as to increase its share capital by the issue of new shares or to reorganize its share capital, whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes :

Provided that no preference or special privilege attached to or belonging to any class of shares shall be interfered with except by a resolution passed by a majority in number of shareholders of that class holding three-fourths of the share capital of that class and confirmed at a meeting of shareholders of that class in the same manner as a special resolution of the company is required to be confirmed and every resolution so passed shall bind all shareholders of the class.

(2.) Where an order is made under this section an office copy thereof shall be filed with the Registrar of Companies within seven days after the making of the order, or within such further time as the Court may allow, and the resolution shall not take effect until such a copy has been so filed.

MANAGEMENT AND ADMINISTRATION.

Office and Name.

37.—(1.) Every company shall have a registered office in Cyprus to which all communications and notices may be addressed. Registered office of company.

(2.) Notice of the situation of the registered office, and of any change therein, shall be given to the Registrar of Companies, who shall record the same.

(3.) If a company carries on business without complying with the requirements of this section it shall be liable to a fine not exceeding one pound for every day during which it so carries on business.

38.—(1.) Every limited company :—

- (a.) Shall paint or affix, and keep painted or affixed, its name on the outside of every office or place in which its business is carried on, in a conspicuous position, in letters easily legible; Publication of name by a limited company.
- (b.) Shall have its name engraven in legible characters on its seal;
- (c.) Shall have its name mentioned in legible characters in all notices, advertisements, and other official publications of the company, and in all bills of exchange, promissory notes, endorsements, cheques, and orders for money or goods purporting to be signed by or on behalf of the company, and in all bills of parcels, invoices, receipts, and letters of credit of the company.

(2.) If a company does not paint or affix, and keep painted or affixed, its name in manner directed by this Law, it shall be liable to a fine not exceeding one pound for not so painting or affixing its name, and for every day during which its name is not so kept painted or affixed, and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

(3.) If any director, manager, or officer of a company, or any person on its behalf, uses or authorizes the use of any seal purporting to be a seal of the company whereon its name is not so engraven as aforesaid, or issues or authorizes the issue of any notice, advertisement, or other official publication of the company, or signs or authorizes to be signed on behalf of the company any bill of exchange, promissory note, endorsement, cheque, order for money or goods, or issues or authorizes to be issued any bill of parcels, invoice, receipt, or letter of credit of the company, wherein its name is not mentioned in manner aforesaid, he shall be liable to a fine not exceeding five pounds, and shall further be personally liable to the holder of any such bill of exchange, promissory note, cheque, or order for money or goods, for the amount thereof, unless the same is duly paid by the company.

Meetings and Proceedings.

Annual
general
meeting.

39.—(1.) A general meeting of every company shall be held once at the least in every calendar year, and not more than fifteen months after the holding of the last preceding general meeting, and, if not so held, the company and every director, manager, secretary, and other officer of the company, who is knowingly a party to the default, shall be liable to a fine not exceeding five pounds.

(2.) When default has been made in holding a meeting of the company in accordance with the provisions of this section, the Court may, on the application of any member of the company, call or direct the calling of a general meeting of the company.

First
statutory
meeting of
company.

40.—(1.) Every company shall, within a period of not less than one month nor more than three months from the date at which the company is entitled to commence business, hold a general meeting of the members of the company which shall be called the statutory meeting.

(2.) The directors shall, at least seven days before the day on which the meeting is held, forward a report (in this Law called "the statutory report") to be filed with the Registrar.

(3.) The statutory report shall be certified by not less than two directors of the company, or, where there are less than two directors, by the sole director and manager, and shall state:—

- (a.) The total number of shares allotted, distinguishing shares allotted as fully or partly paid up otherwise than in cash, and stating in the case of shares partly paid up the extent to which they are so paid up, and in either case the consideration for which they have been allotted;
- (b.) The total amount of cash received by the company in respect of all the shares allotted, distinguished as aforesaid;
- (c.) An abstract of the receipts of the company on account of its capital, and of the payment made thereout, up to a date within seven days of the date of the report, exhibiting under distinctive headings the receipts of the company from shares and other sources, the payments made thereout, and particulars concerning the balance remaining in hand, and an account or estimate of the preliminary expenses of the company;
- (d.) The names, addresses and descriptions of the directors, auditors (if any), managers (if any), and secretary of the company; and
- (e.) The particulars of any contract, the modification of which is to be submitted to the meeting for its approval, together with the particulars of the modification or proposed modification.

(4.) The statutory report shall, so far as it relates to the shares allotted by the company, and to the cash received in respect of such shares, and to the receipts and payments of the company on capital account, be certified as correct by the auditors, if any, of the company.

(5.) The directors shall cause a copy of the statutory report and a list showing the names, descriptions, and addresses of the members of the company, and the number of shares held by them respectively to be produced at the commencement of the meeting, and to remain open and accessible to any member of the company during the continuance of the meeting.

(6.) The members of the company present at the meeting shall be at liberty to discuss any matter relating to the formation of the company, or arising out of the statutory report, whether previous notice has been given or not, but no resolution of which notice has not been given in accordance with the articles may be passed.

(7.) The meeting may adjourn from time to time, and at any adjourned meeting any resolution of which notice has been given in

accordance with the articles, either before or subsequently to the former meeting, may be passed, and the adjourned meeting shall have the same powers as an original meeting.

(8.) If a petition is presented to the Court for winding up the company on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may, instead of directing that the company be wound up, give directions for the statutory report to be filed or a meeting to be held, or make such other order as may be just.

(9.) The provisions of this section as to the forwarding and filing of the statutory report shall not apply in the case of a private company.

Convening
of extra-
ordinary
general
meeting on
requisition.

41.—(1.) Notwithstanding anything in the articles of a company, the directors of a company, shall, on the requisition of the holders of not less than one-tenth of the issued share capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to convene an extraordinary general meeting of the company.

(2.) The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each signed by one or more requisitionists.

(3.) If the directors do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists, or a majority of them in value, may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.

(4.) If at any such meeting a resolution requiring confirmation at another meeting is passed, the directors shall forthwith convene a further extraordinary general meeting for the purpose of considering the resolution and, if though fit, of confirming it as a special resolution; and, if the directors do not convene the meeting within seven days from the date of the passing of the first resolution, the requisitionists, or a majority of them in value, may themselves convene the meeting.

(5.) Any meeting convened under this section by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors.

Provisions
as to meet-
ings and
votes.

42. In default of, and subject to, any regulations in the articles:—

- (i.) A meeting of a company may be called by seven days' notice in writing, served on every member in manner in which notices are required to be served by Table A;

- (ii.) Five members may call a meeting;
- (iii.) Any person elected by the members present at a meeting may be chairman thereof;
- (iv.) Every member shall have one vote.

43.—(1.) A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given.

Definitions of extraordinary and special resolution.

(2.) A resolution shall be a special resolution when it has been:—

- (a.) Passed in manner required for the passing of an extraordinary resolution; and
- (b.) Confirmed by a majority of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a subsequent general meeting, of which notice has been duly given, and held after an interval of not less than fourteen days, nor more than one month, from the date of the first meeting.

(3.) At any meeting at which an extraordinary resolution is submitted to be passed or a special resolution is submitted to be passed or confirmed, a declaration of the chairman that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(4.) At any meeting at which an extraordinary resolution is submitted to be passed or a special resolution is submitted to be passed or confirmed a poll may be demanded, if demanded by three persons for the time being entitled according to the articles to vote.

(5.) When a poll is demanded in accordance with this section, in computing the majority on the poll, reference shall be had to the number of votes to which each member is entitled by the articles of the company.

(6.) For the purposes of this section notice of a meeting shall be deemed to be duly given and the meeting to be duly held when the notice is given and the meeting held in manner provided by the articles.

44.—(1.) A copy of every special and extraordinary resolution shall within fifteen days from the confirmation of the special resolution, or from the passing of the extraordinary resolution, as the case

Registration and copies of resolutions.

may be, be forwarded to the Registrar of Companies, who shall record the same.

(2.) A copy of every special resolution for the time being in force shall be embodied in or annexed to every copy of the articles issued after the confirmation of the resolution.

(3.) A copy of every special resolution shall be forwarded to any member at his request, on payment of one shilling or such less sum as the company may direct.

(4.) If a company makes default in forwarding a copy of a special or extraordinary resolution to the Registrar it shall be liable to a fine not exceeding one pound for every day during which the default continues.

(5.) If a company makes default in embodying in or annexing to a copy of its articles or in forwarding to a member when required by this section a copy of a special resolution, it shall be liable to a fine not exceeding five shillings for each copy in respect of which default is made.

(6.) Every director and manager of a company who knowingly and wilfully authorizes or permits any default by the company in complying with the requirements of this section shall be liable to the like penalty as is imposed by this section on the company for that default.

Minutes of proceedings of meetings and directors.

45.—(1.) Every company shall cause minutes of all proceedings of general meetings and (where there are directors or managers) of its directors or managers to be entered in books kept for that purpose.

(2.) Any such minute if purporting to be signed by the chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

(3.) Until the contrary is proved, every general meeting of the company or meeting of directors or managers in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly held and convened, and all proceedings had thereat to have been duly had, and all appointments of directors, managers, or liquidators, shall be deemed to be valid.

Appointment, Qualification, &c. of Directors.

Restrictions on appointment or advertisement of director.

46.—(1.) A person shall not be capable of being appointed director of a company by the articles, and shall not be named as a director or proposed director of a company in any prospectus issued by or on behalf of the company, or in any statement in lieu of

prospectus filed by or on behalf of the company, unless, before the registration of the articles or the publication of the prospectus, or the filing of the statement in lieu of prospectus, as the case may be, he has by himself or by his agent authorized in writing:—

- (i.) Signed and filed with the Registrar of Companies a consent in writing to act as such director; and
- (ii.) Either signed the memorandum for a number of shares not less than his qualification (if any), or signed and filed with the Registrar a contract in writing to take from the company and pay for his qualification shares (if any).

(2.) On the application for registration of the memorandum and articles of a company the applicant shall deliver to the Registrar a list of the persons who have consented to be directors of the company, and, if this list, contains the name of any person who has not so consented, the applicant shall be liable to a fine not exceeding five pounds.

(3.) This section shall not apply to a private company nor to a prospectus issued by or on behalf of a company after the expiration of one year from the date at which the company is entitled to commence business.

47.—(1.) Without prejudice to the restrictions imposed by the last foregoing section, it shall be the duty of every director who is by the regulations of the company required to hold a specified share qualification, and who is not already qualified, to obtain his qualification within two months after his appointment, or such shorter time as may be fixed by the regulations of the company.

Qualification
of director.

(2.) The office of director of a company shall be vacated, if the director does not within two months from the date of his appointment, or within such shorter time as may be fixed by the regulations of the company, obtain his qualification, or if after the expiration of such period or shorter time he ceases at any time to hold his qualification; and a person vacating office under this section shall be incapable of being re-appointed director of the company until he has obtained his qualification.

(3.) If after the expiration of the said period or shorter time any unqualified person acts as a director of the company, he shall be liable to a fine not exceeding one pound for every day between the expiration of the said period or shorter time and the last day on which it is proved that he acted as a director.

48. The acts of a director or manager shall be valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification.

Validity of
acts of
directors.

List of directors to be sent to registrar.

49.—(1.) Every company shall keep at its registered office a register containing the names and addresses and the occupations of its directors or managers, and send to the Registrar of Companies a copy thereof, and from time to time notify to the Registrar any change among its directors or managers.

(2.) If default is made in compliance with this section, the company shall be liable to a fine not exceeding one pound for every day during which the default continues; and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

Contracts, &c.

Form of contracts.

50. Contracts on behalf of a company may be made as follows:—

(1.) All contracts may be made on behalf of the company in writing under the common seal of the company and may in the same manner be varied or discharged;

(2.) Contracts incidental to the ordinary conduct of the company's business may be made in writing or by parol on behalf of the company by any person acting under its authority, express or implied. Any such contract made in writing may be varied or discharged in writing, and any such contract made by parol may be varied or discharged by writing or parol;

(3.) All contracts made according to this section shall be effectual in law, and shall bind the company and its successors and all other parties thereto, their heirs, executors or administrators as the case may be.

Bills of exchange and promissory notes.

51. A bill of exchange or promissory note shall be deemed to have been made, accepted, or endorsed on behalf of a company if made, accepted, or endorsed in the name of, or by or on behalf or on account of, the company by any person acting under its authority.

Execution of deeds abroad.

52. A company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place not situate in Cyprus; and every deed signed by such attorney, on behalf of the company, and under his seal, shall bind the company, and have the same effect as if it were under its common seal.

Prospectus.

Filing of prospectus.

53.—(1.) Every prospectus issued by or on behalf of a company or in relation to any intended company shall be dated, and that date shall, unless the contrary be proved, be taken as the date of publication of the prospectus.

(2.) A copy of every such prospectus, signed by every person who is named therein as a director or proposed director of the company, or by his agent authorized in writing, shall be filed for registration with the Registrar of Companies on or before the date of its publication, and no such prospectus shall be issued until a copy thereof has been so filed for registration.

(3.) The Registrar shall not register any prospectus unless it is dated, and the copy thereof signed, in manner required by this section.

(4.) Every prospectus shall state on the face of it that a copy has been filed for registration as required by this section.

(5.) If a prospectus is issued without a copy thereof being so filed, the company, and every person who, if knowingly, is a party to the issue of the prospectus, shall be liable to a fine not exceeding one pound for every day from the date of the issue of the prospectus until a copy thereof is so filed.

54.—(1.) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company, must state:—

Specific requirements as to particulars of prospectus.

- (a.) The contents of the memorandum, with the names, descriptions, and addresses of the signatories, and the number of shares subscribed for by them respectively; and the number of founders or management or deferred shares, if any, and the nature and extent of the interest of the holders in the property and profits of the company; and
- (b.) The number of shares, if any, fixed by the articles as the qualification of a director, and any provision in the articles as to the remuneration of the directors; and
- (c.) The names, descriptions, and addresses of the directors or proposed directors; and
- (d.) The minimum subscription on which the directors may proceed to allotment, and the amount payable on application and allotment on each share; and in the case of a second or subsequent offer of shares, the amount offered for subscription on each previous allotment made within the two preceding years, and the amount actually allotted, and the amount, if any, paid on the shares so allotted; and
- (e.) The number and amount of shares which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, and in the latter case the extent to which they are so paid up, and in either case the consideration for which those shares have been issued or are proposed or intended to be issued; and

- (f.) The names and addresses of the vendors of any property purchased or acquired by the company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, or shares, to the vendor, and where there is more than one separate vendor, or the company is a sub-purchaser, the amount so payable to each vendor: Provided that where the vendors or any of them are a firm the members of the firm shall not be treated as separate vendors; and
- (g.) The amount (if any) paid or payable as purchase money in cash or shares for any such property as aforesaid, specifying the amount (if any) payable for goodwill; and
- (h.) The amount (if any) paid within the two preceding years, or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in the company or the rate of any such commission: Provided that it shall not be necessary to state the commission payable to sub-underwriters; and
- (i.) The amount or estimated amount of preliminary expenses; and
- (j.) The amount paid within the two preceding years or intended to be paid to any promoter, and the consideration for any such payment; and
- (k.) The dates of and parties to every material contract, and a reasonable time and place at which any material contract or a copy thereof may be inspected: Provided that this requirement shall not apply to a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company, or to any contract entered into more than two years before the date of issue of the prospectus; and
- (l.) The names and addresses of the auditors (if any) of the company; and
- (m.) Full particulars of the nature and extent of the interest (if any) of every director in the promotion of or in the property proposed to be acquired by, the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a director, or, otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company; and

(*n.*) Where the company is a company having shares of more than one class, the right of voting at meetings of the company conferred by the several classes of shares respectively.

(2.) For the purposes of this section every person shall be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where:—

(*a.*) The purchase money is not fully paid at the date of issue of the prospectus; or

(*b.*) The purchase money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus; or

(*c.*) The contract depends for its validity or fulfilment on the result of that issue.

(3.) Where any of the property to be acquired by the company is to be taken on lease, this section shall apply as if the expression “ vendor ” included the lessor, and the expression “ purchase money ” included the consideration for the lease, and the expression “ sub-purchaser ” included a sub-lessee.

(4.) Any condition requiring or binding any applicant for shares to waive compliance with any requirement of this section, or purporting to affect him with notice of any contract, document, or matter not specifically referred to in the prospectus, shall be void.

(5.) Where any such prospectus as is mentioned in this section is published as a newspaper advertisement, it shall not be necessary in the advertisement to specify the contents of the memorandum or the signatories thereto, and the number of shares subscribed for by them.

(6.) In the event of non-compliance with any of the requirements of this section, a director or other person responsible for the prospectus shall not incur any liability by reason of the non-compliance, if he proves that:—

(*a.*) As regards any matter not disclosed, he was not cognisant thereof; or

(*b.*) The non-compliance arose from an honest mistake of fact on his part:

Provided that in the event of non-compliance with the requirements contained in paragraph (*m*) of sub-section (1) of this section no director or other person shall incur any liability in respect of the non-compliance unless it be proved that he had knowledge of the matters not disclosed.

(7.) This section shall not apply to a circular or notice inviting existing members of a company to subscribe for shares of the company, whether with or without the right to renounce in favour of other persons, but subject as aforesaid, this section shall apply to any prospectus whether issued on or with reference to the formation of a company or subsequently.

(8.) The requirements of this section as to the memorandum and the qualification, remuneration, and interest of directors, the names, descriptions and addresses of directors or proposed directors, and the amount or estimated amount of preliminary expenses, shall not apply in the case of a prospectus issued more than one year after the date at which the company is entitled to commence business.

(9.) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Law apart from this section.

Obligations of companies where no prospectus is issued.

55. A company which does not issue a prospectus on or with reference to its formation, shall not allot any of its shares unless before the first allotment of shares there has been filed with the Registrar of Companies a statement in lieu of prospectus signed by every person who is named therein as a director or a proposed director of the company or by his agent authorized in writing, in the form and containing the particulars set out in the Third Schedule to this Law.

Restriction on alteration of terms mentioned in prospectus or statement.

56. A company shall not previously to the statutory meeting vary the terms of a contract referred to in the prospectus or statement in lieu of prospectus, except subject to the approval of the statutory meeting.

Liability for statements in prospectus.

57.—(1.) Where a prospectus invites persons to subscribe for shares in a company, every person who is a director of the company at the time of the issue of the prospectus, and every person who has authorized the naming of him and is named in the prospectus as a director or as having agreed to become a director either immediately or after an interval of time, and every promoter of the company, and every person who has authorized the issue of the prospectus, shall be liable to pay compensation to all persons who subscribe for any shares on the faith of the prospectus for the loss or damage they may have sustained by reason of any untrue statement therein, or in any report or memorandum appearing on the face thereof, or by reference incorporated therein or issued therewith, unless it is proved:—

(a.) With respect to every untrue statement not purporting to be made on the authority of an expert, or of a public official document or statement, that he had reasonable ground to

- believe, and did up to the time of the allotment of the shares, as the case may be, believe, that the statement was true; and
- (b.) With respect to every untrue statement purporting to be a statement by or contained in what purports to be a copy of or extract from a report or valuation of an expert, that it fairly represented the statement, or was a correct and fair copy of or extract from the report or valuation. Provided that the director, person named as director, promoter, or person who authorized the issue of the prospectus, shall be liable to pay compensation as aforesaid if it is proved that he had no reasonable ground to believe that the person making the statement, report, or valuation was competent to make it; and
- (c.) With respect to every untrue statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, that it was a correct and fair representation of the statement or copy of or extract from the document;

or unless it is proved—

- (i.) That having consented to become a director of the company he withdrew his consent before the issue of the prospectus, and that it was issued without his authority or consent; or
- (ii.) That the prospectus was issued without his knowledge or consent, and that on becoming aware of its issue he forthwith gave reasonable public notice that it was issued without his knowledge or consent; or
- (iii.) That after the issue of the prospectus and before allotment thereunder, he, on becoming aware of any untrue statement therein, withdrew his consent thereto, and gave reasonable public notice of the withdrawal, and of the reason therefor.
- (2.) Where a company existing on the date of the coming into operation of this Law has issued shares, and for the purpose of obtaining further capital by subscriptions for shares issues a prospectus, a director shall not be liable in respect of any statement therein, unless he has authorized the issue of the prospectus, or has adopted or ratified it.
- (3.) Every person who by reason of his being a director, or named as a director or as having agreed to become a director, or of his having authorized the issue of the prospectus, becomes liable to make any payment under this section may recover contribution, as in cases of contract, from any other person who, if sued separately, would have been liable to make the same payment, unless the person

who has become so liable was, and that other person was not, guilty of fraudulent misrepresentation.

(4.) For the purposes of this section :—

The expression “ promoter ” means a promoter who was a party to the preparation of the prospectus, or of the portion thereof containing the untrue statement, but does not include any person by reason of his acting in a professional capacity for persons engaged in procuring the formation of the company;

The expression “ expert ” includes engineer, valuer, accountant, and any other person whose profession gives authority to a statement made by him.

Allotment.

Restriction
as to
allotment.

58.—(1.) No allotment shall be made of any share capital of a company offered to the public for subscription, unless the following conditions have been complied with, namely :—

(a.) The amount (if any) fixed by the memorandum or articles and named in the prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(b.) If no amount is so fixed and named, then the whole amount of the share capital so offered for subscription, has been subscribed, and the sum payable on application for the amount so fixed and named, or for the whole amount offered for subscription, has been paid to and received by the company.

Minimum
subscription.

(2.) The amount so fixed and named and the whole amount aforesaid shall be reckoned exclusively of any amount payable otherwise than in cash, and is in this Law referred to as the minimum subscription.

(3) The amount payable on application on each share shall not be less than five per cent. of the nominal amount of the share.

(4.) If the conditions aforesaid have not been complied with on the expiration of forty days after the first issue of the prospectus, all money received from applicants for shares shall be forthwith repaid to them without interest, and, if any such money is not so repaid within forty-eight days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of five per centum per annum from the expiration of the forty-eighth day: Provided that a director shall not be liable if he proves that the loss of the money was not due to any misconduct or negligence on his part.

(5.) Any condition requiring or binding any applicant for shares to waive compliance with any requirement of this section shall be void.

(6.) This section, except sub-section (3) thereof, shall not apply to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.

(7.) In the case of the first allotment of share capital payable in cash of a company which does not issue any invitation to the public to subscribe for its shares, no allotment shall be made unless the minimum subscription (that is to say):—

(a.) The amount (if any) fixed by the memorandum or articles and named in the statement in lieu of prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(b.) If no amount is so fixed and named, then the whole amount of the share capital other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash,

has been subscribed and an amount not less than five per cent. of the nominal amount of each share payable in cash has been paid to and received by the company.

This sub-section shall not apply to a private company.

59.—(1.) An allotment made by a company to an applicant in contravention of the provisions of the last foregoing section shall be voidable at the instance of the applicant within one month after the holding of the statutory meeting of the company and not later, and shall be so voidable notwithstanding that the company is in course of being wound up.

Effect of irregular allotment.

(2.) If any director of a company knowingly contravenes or permits or authorizes the contravention of any of the provisions of the last foregoing section with respect to allotment he shall be liable to compensate the company and the allottee respectively for any loss, damages, or costs which the company or the allottee may have sustained or incurred thereby: Provided that proceedings to recover any such loss, damages, or costs shall not be commenced after the expiration of two years from the date of the allotment.

60.—(1.) A company shall not commence any business or exercise any borrowing powers unless:—

Restrictions on commencement of business.

(a.) Shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription; and

- (b.) Every director of the company has paid to the company on each of the shares taken or contracted to be taken by him, and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription, or in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, on the shares payable in cash; and
- (c.) There has been filed with the Registrar of Companies a statutory declaration by the secretary or one of the directors, in the prescribed form, that the aforesaid conditions have been complied with; and
- (d.) In the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, there has been filed with the Registrar of Companies a statement in lieu of prospectus.

(2.) The Registrar of Companies shall, on the filing of this statutory declaration, certify that the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled:

Provided that in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares the Registrar shall not give such a certificate unless a statement in lieu of prospectus has been filed with him.

(3.) Any contract made by a company before the date at which it is entitled to commence business shall be provisional only, and shall not be binding on the company until that date, and on that date it shall become binding.

(4.) If any Company commences business or exercises borrowing powers in contravention of this section, every person who is responsible for the contravention shall, without prejudice to any other liability, be liable to a fine not exceeding five pounds for every day during which the contravention continues.

(5.) Nothing in this section shall apply to a private company, which does not issue a prospectus inviting the public to subscribe for its shares.

Return as to
allotments.

61.—(1.) Whenever a company makes any allotment of its shares, the company shall within one month thereafter file with the Registrar of Companies:—

- (a.) A return of the allotments, stating the number and nominal amount of the shares comprised in the allotment, the names, addresses, and descriptions of the allottees, and the amount (if any) paid or due and payable on each share; and

(b.) In the case of shares allotted as fully or partly paid up otherwise than in cash, a contract in writing, constituting the title of the allottee to the allotment together with any contract of sale, or for services or other consideration in respect of which that allotment was made, such contracts being duly stamped, and a return stating the number and nominal amount of shares so allotted, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted.

(2.) Where such a contract as above mentioned is not reduced to writing, the company shall within one month after the allotment file with the Registrar of Companies the prescribed particulars of the contract stamped with the same stamp duty as would have been payable if the contract had been reduced to writing.

(3.) If default is made in complying with the requirements of this section, every director, manager, secretary, or other officer of the company, who is knowingly a party to the default, shall be liable to a fine not exceeding five pounds for every day during which the default continues :

Provided that, in case of default in filing with the Registrar of Companies within one month after the allotment any document required to be filed by this section, the company, or any person liable for the default, may apply to the Court for relief, and the Court, if satisfied that the omission to file the document was accidental or due to inadvertence or that it is just and equitable to grant relief, may make an order extending the time for the filing of the document for such period as the Court may think proper.

Certificates of Shares, &c.

62.—(1.) Every company shall, within two months after the allotment of any of its shares, and within two months after the registration of the transfer of any such shares, complete and have ready for delivery the certificates of all shares, allotted or transferred, unless the conditions of issue of the shares otherwise provide.

Limitation
of time for
issue of
certificates.

(2.) If default is made in complying with the requirements of this section, the company, and every director, manager, secretary, and other officer of the company who is knowingly a party to the default, shall be liable to a fine not exceeding one pound for every day during which the default continues,

Information as to Mortgages, Charges, &c.

Registration
of mortgages
and charges.

63.—(1.) Every mortgage or charge created after the date of the coming into operation of this Law by a company registered in Cyprus

(Amended by Law 17 of 1940.)

"(1 A.) In the case of a mortgage or charge created out of Cyprus comprising solely property situate outside Cyprus the delivery to and the receipt by the Registrar of a copy of the instrument by which the mortgage or charge is created or evidenced, certified to be a true copy under the seal of the company or under the hand or seal of some person interested therein otherwise than on behalf of the company, shall have the same effect for the purpose of this section as the delivery and receipt of the instrument itself and twenty-one^{days} after the date on which the instrument or copy has been first received in Cyprus shall, if the instrument or copy has been despatched with due diligence, be substituted for twenty-one days after the date of the creation of the mortgage or charge, as the time within which the particulars and instrument or copy are to be delivered to the Registrar".

(3.) The Registrar shall give a certificate under his hand of the registration of any mortgage or charge registered in pursuance of this section, stating the amount thereby secured, and the certificate shall be conclusive evidence that the requirements of this section as to registration have been complied with.

(4.) It shall be the duty of the company to send to the Registrar for registration the particulars of every mortgage or charge created by the company, requiring registration under this section, but registration of any such mortgage or charge may be effected on the application of any person interested therein.

Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company the amount of any fees properly paid by him to the Registrar on the registration.

Information as to Mortgages, Charges, &c.

Registration
of mortgages
and charges.

63.—(1.) Every mortgage or charge created after the date of the coming into operation of this Law by a company registered in Cyprus and being either:—

- (a.) A charge on movable property; or
- (b.) A mortgage or charge on any land, wherever situate, or any interest therein;

shall, so far as any security on the company's property or undertaking is thereby conferred, be void against the liquidator and any creditor of the company, unless the prescribed particulars of the mortgage or charge, together with the instrument (if any) by which the mortgage or charge is created or evidenced, are delivered to or received by the Registrar of Companies for registration in manner required by this Law within twenty-one days after the date of its creation, but without prejudice to any contract or obligation for repayment of the money thereby secured, and when a mortgage or charge becomes void under this section the money secured thereby shall immediately become payable.

Amended.
Law 17/1938.

(2.) The Registrar shall keep, with respect to each company, a register in the prescribed form of all the mortgages and charges created by the company after the date of coming into operation of this Law and requiring registration under this section, and shall, on payment of the prescribed fee, enter in the register, with respect to every such mortgage or charge, the date of creation, the amount secured by it, short particulars of the property mortgaged or charged, and the names of the mortgagees or persons entitled to the charge.

(3.) The Registrar shall give a certificate under his hand of the registration of any mortgage or charge registered in pursuance of this section, stating the amount thereby secured, and the certificate shall be conclusive evidence that the requirements of this section as to registration have been complied with.

(4.) It shall be the duty of the company to send to the Registrar for registration the particulars of every mortgage or charge created by the company, requiring registration under this section, but registration of any such mortgage or charge may be effected on the application of any person interested therein.

Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company the amount of any fees properly paid by him to the Registrar on the registration.

(5.) The register kept in pursuance of this section shall be open to inspection by any person on payment of the prescribed fee, not exceeding one shilling for each inspection.

(6.) Every company shall cause a copy of every instrument creating any mortgage or charge requiring registration under this section to be kept at the registered office of the company.

64. The Court, on being satisfied that the omission to register a mortgage or charge within the time hereinbefore required, or that the omission or misstatement of any particular with respect to any such mortgage or charge, was accidental, or due to inadvertence or to some other sufficient cause, or is not of a nature to prejudice the position of creditors or shareholders of the company, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any person interested, and on such terms and conditions as seem to the judge just and expedient, order that the time for registration be extended, or, as the case may be, that the omission or misstatement be rectified.

Rectification
of register of
mortgages.

65. The Registrar of Companies may, on evidence being given to his satisfaction that the debt for which any registered mortgage or charge was given has been paid or satisfied, order that a memorandum of satisfaction be entered on the register, and shall if required furnish the company with a copy thereof.

Entry of
satisfaction.

66. The Registrar of Companies shall keep a chronological index, in the prescribed form and with the prescribed particulars, of the mortgages or charges registered with him under this Law.

Index to
register of
mortgages
and charges.

67.—(1.) If any company makes default in sending to the Registrar of Companies for registration the particulars of any mortgage or charge created by the company, requiring registration with the Registrar under the foregoing provisions of this Law, then, unless the registration has been effected on the application of some other person, the company, and every director, manager, secretary, or other person who is knowingly a party to the default, shall on conviction be liable to a fine not exceeding five pounds for every day during which the default continues.

Penalties.

(2.) Subject as aforesaid, if any company makes default in complying with any of the requirements of this Law as to the registration with the Registrar of any mortgage or charge created by the company, the company and every director, manager, and other officer of the company, who knowingly and wilfully authorized or permitted the default shall, without prejudice to any other liability, be liable to a fine not exceeding ten pounds.

Company's
register of
mortgages.

68.—(1.) Every company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge, and the names of the mortgagees or persons entitled thereto.

(2.) If any director, manager, or other officer of the company knowingly and wilfully authorizes or permits the omission of any entry required to be made in pursuance of this section, he shall be liable to a fine not exceeding five pounds.

Right to
inspect
copies of
instruments
creating
mortgages
and charges
and com-
pany's regis-
ter of
mortgages.

69.—(1.) The copies of instruments creating any mortgage or charge requiring registration under this Law with the Registrar of Companies, and the register of mortgages kept in pursuance of the last foregoing section, shall be open at all reasonable times to the inspection of any creditor or member of the company without fee, and the register of mortgages shall also be open to the inspection of any other person on payment of such fee, not exceeding one shilling for each inspection, as the company may prescribe.

(2.) If inspection of the said copies or register is refused, any officer of the company refusing inspection, and every director and manager of the company authorizing or knowingly and wilfully permitting the refusal, shall be liable to a fine not exceeding one pound, and a further fine not exceeding one pound for every day during which the refusal continues; and, in addition to the above penalty the President of the Court sitting in chambers, may by order compel an immediate inspection of the copies of register.

*Statement to be published by Banking and certain other
Companies.*

Certain
companies
to publish
statement
in schedule.

70.—(1.) Every company being a limited banking company or a deposit, provident, or benefit society shall, before it commences business, and also on the first Monday in February and the first Tuesday in August in every year during which it carries on business, make a statement in the form in the Second Schedule to this Law, or as near thereto as circumstances will admit.

(2.) A copy of the statement shall be put up in a conspicuous place in the registered office of the company, and in every branch office or place where the business of the company is carried on.

(3.) Every member and every creditor of the company shall be entitled to a copy of the statement, on payment of a sum not exceeding four piastres.

(4.) If default is made in compliance with this section, the company shall be liable to a fine not exceeding one pound for every day during which the default continues; and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

Inspection and Audit.

71.—(1.) The Court may appoint one or more competent inspectors to investigate the affairs of any company and to report thereon in such manner as the Court direct on the application of members holding not less than one-tenth of the shares issued.

Investigation of affairs of company by court inspectors.

(2.) It shall be the duty of all officers and agents of the company to produce to the inspectors all books and documents in their custody or power.

(3.) An inspector may examine on oath the officers and agents of the company in relation to its business, and may administer an oath accordingly.

(4.) If any officer or agent refuses to produce any book or document which under this section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable to a fine not exceeding one pound in respect of each offence.

(5.) On the conclusion of the investigation the inspectors shall report their opinion to the Court, and a copy of the report shall be forwarded by the Court to the registered office of the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them.

The report shall be written or printed, as the Court directs.

(6.) All expenses of and incidental to the investigation shall be defrayed by the applicants, unless the Court direct the same to be paid by the company, which the Court is hereby authorized to do.

72.—(1.) A company may by special resolution appoint inspectors to investigate its affairs.

Power of company to appoint inspectors.

(2.) Inspectors so appointed shall have the same powers and duties as inspectors appointed by the Court, except that, instead of reporting to the Court, they shall report in such manner and to such persons as the company in general meeting may direct.

(3.) Officers and agents of the company shall incur the like penalties in case of refusal to produce any book or document required to be produced to inspectors so appointed, or to answer any question, as they would have incurred if the inspectors had been appointed by the Court.

Report of
inspectors to
be evidence.

73. A copy of the report of any inspectors appointed under this Law, authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report.

Appoint-
ment and
remunera-
tion of
auditors.

74.—(1.) Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(2.) A director or officer of the company shall not be capable of being appointed auditor of the company.

(3.) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act.

(4.) The remuneration of the auditors of a company shall be fixed by the company in general meeting, except that the remuneration of any auditors appointed before the statutory meeting, or to fill any casual vacancy, may be fixed by the directors.

Powers and
duties of
auditors.

75.—(1.) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

(2.) The auditors shall make a report to the shareholders on the accounts examined by them, and on every balance sheet laid before the company in general meeting during their tenure of office, and the report shall state:—

(a.) Whether or not they have obtained all the information and explanations they have required; and

(b.) Whether, in their opinion, the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company.

(3.) The balance sheet shall be signed on behalf of the board by two of the directors of the company or, if there is only one director, by that director, and the auditors' report shall be attached to the balance sheet, or there shall be inserted at the foot of the balance sheet a reference to the report, and the report shall be read before the company in general meeting, and shall be open to inspection by any shareholder.

Any shareholder shall be entitled to be furnished with a copy of the balance sheet and auditors' report at a charge not exceeding four piastres for every hundred words.

(4.) If any copy of a balance sheet which has not been signed as required by this section is issued, circulated, or published, or if any copy of a balance sheet is issued, circulated, or published without either having a copy of the auditors' report attached thereto or containing such reference to that report as is required by this section, the company, and every director, manager, secretary, or other officer of the company who is knowingly a party to the default, shall on conviction be liable to a fine not exceeding ten pounds.

*Carrying on business with less than the legal Minimum
of Members.*

76. If at any time the number of members of a company is reduced, in the case of a private company, below two, or, in the case of any other company, below seven, and it carries on business for more than six months while the number is so reduced, every person who is a member of the company during the time that it so carries on business after those six months, and is cognisant of the fact that it is carrying on business with fewer than two members, or seven members, as the case may be, shall be severally liable for the payment of the whole debts of the company contracted during that time, and may be sued for the same, without joinder in the action of any other member.

Prohibition of carrying on business with fewer than seven or in the case of a private company, two members.

Service and authentication of Documents.

77. A document may be served on a company by leaving it at or sending it by post to the registered office of the company.

Service of documents on company.

78. A document or proceeding requiring authentication by a company may be signed by a director, secretary, or other authorized officer of the company, and need not be under its common seal.

Authentication of documents.

Tables and Forms.

79.—(1.) The forms in the Fourth Schedule to this Law or forms as near thereto as circumstances admit shall be used in all matters to which those forms refer.

Application and alteration of tables and forms.

(2.) The High Commissioner in Council may by order alter the First Schedule to this Law, so that he does not increase the amount of fees payable to the Registrar in the said Schedule mentioned, and may alter or add to the forms in the Fourth Schedule.

Power to compromise.

80.—(1.) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the company and its members or any class of them, the Court may, on the application in a summary way of the company or of any

Power to compromise with creditors and members.

creditor or member of the company or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be summoned in such manner as the Court directs.

(2.) If a majority in number representing three-fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors or the class of creditors, or on the members or class of members, as the case may be, and also on the company or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

Meaning of "Private Company."

Meaning of
"private
company."

81.—(1.) For the purposes of this Law the expression "private company" means a company which by its articles:—

- (a.) Restricts the right to transfer its shares; and
- (b.) Limits the number of its members (exclusive of persons who are in the employment of the company) to fifty; and
- (c.) Prohibits any invitation to the public to subscribe for any shares of the company.

(2.) A private company may, subject to anything contained in the memorandum or articles, by passing a special resolution and by filing with the Registrar of Companies such a statement in lieu of prospectus as the company, if a public company, would have had to file before allotting any of its shares, together with such a statutory declaration as the company, if a public company, would have had to file before commencing business, turn itself into a public company.

(3.) Where two or more persons hold one or more shares in a company jointly they shall, for the purposes of this section be treated as a single member.

WINDING UP.

Preliminary.

Contributories.

Liability as
contributor-
ies of
present
and past
members.

82. In the event of a company being wound up, every present and past member shall, subject to the provisions of this section, be liable to contribute to the assets of the company to an amount sufficient for payment of its debts and liabilities and the costs, charges, and

expenses of the winding up, and for the adjustment of the rights of the contributories among themselves, with the qualifications following (that is to say):—

- (i.) A past member shall not be liable to contribute if he has ceased to be a member for one year or upwards before the commencement of the winding up;
- (ii.) A past member shall not be liable to contribute in respect of any debt or liability of the company contracted after he ceased to be a member;
- (iii.) A past member shall not be liable to contribute unless it appears to the Court that the existing members are unable to satisfy the contributions required to be made by them in pursuance of this Law;
- (iv.) No contribution shall be required from any member exceeding the amount, if any, unpaid on the shares in respect of which he is liable as a present or past member;
- (v.) A sum due to any member of a company, in his character of a member, by way of dividends, profits, or otherwise, shall not be deemed to be a debt of the company, payable to that member in a case of competition between himself and any other creditor not a member of the company; but any such sum may be taken into account for the purpose of the final adjustment of the rights of the contributories among themselves.

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83. The term “contributory” means every person liable to contribute to the assets of a company in the event of its being wound up, and, in all proceedings for determining and in all proceedings prior to the final determination of the persons who are to be deemed contributories, includes any person alleged to be a contributory.

Definition of contributory.

84. The liability of a contributory shall create a debt accruing due from him at the time when his liability commenced, but payable at the times when calls are made for enforcing the liability.

Nature of liability of contributory.

85.—(1.) If a contributory dies either before or after he has been placed on the list of contributories, his personal representatives and his heirs and devisees, shall be liable in a due course of administration to contribute to the assets of the company in discharge of his liability and shall be contributories accordingly.

Contributories in case of death of member.

(2.) Where the personal representatives are placed on the list of contributories, the heirs or devisees need not be added unless the Court thinks fit.

(3.) If the personal representatives make default in paying any money ordered to be paid by them, proceedings may be taken for

administering the personal and real estates of the deceased contributory, or either of them, and for compelling payment thereof of the money due.

Contributor-
ies in case
of bank-
ruptcy of
member.

86. If a contributory becomes bankrupt, either before or after he has been placed on the list of contributories, then:—

- (1.) His trustee in bankruptcy shall represent him for all the purposes of the winding up, and shall be a contributory accordingly, and may be called on to admit to proof against the estate of the bankrupt, or otherwise to allow to be paid out of his assets in due course of law, any money due from the bankrupt in respect of his liability to contribute to the assets of the company; and
- (2.) There may be proved against the estate of the bankrupt the estimated value of his liability to future calls as well as calls already made.

Circum-
stances in
which com-
pany may be
wound up by
court.

87. A company may be wound up by the Court:—

- (i.) If the company has by special resolution resolved that the company be wound up;
- (ii.) If default is made in filing the statutory report or in holding the statutory meeting;
- (iii.) If the company does not commence its business within a year from its incorporation, or suspends its business for a whole year;
- (iv.) If the number of members is reduced, in the case of a private company, below two, or, in the case of any other company, below seven;
- (v.) If the company is unable to pay its debts;
- (vi.) If the Court is of opinion that it is just and equitable that the company should be wound up.

Company
when
deemed
unable to
pay its debts.

88. A company shall be deemed to be unable to pay its debts:—

- (i.) If a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding twenty pounds then due, has served on the company, by leaving the same at its registered office, a demand under his hand requiring the company to pay the sum so due, and the company has for three weeks thereafter neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor; or
- (ii.) If execution or other process issued on a judgment decree or order of any Court in favour of a creditor of the company is returned unsatisfied in whole or in part; or

(iii.) If it is proved to the satisfaction of the Court that the company is unable to pay its debts, and, in determining whether a company is unable to pay its debts, the Court shall take into account the contingent and prospective liabilities of the company.

89. An application to the Court for the winding up of a company shall be by petition, presented subject to the provisions of this section either by the company, or by any creditor or creditors (including any contingent or prospective creditor or creditors), contributory or contributories, or by all or any of those parties, together or separately: Provided that:—

Provisions
as to appli-
cations for
winding up.

(a.) A contributory shall not be entitled to present a petition for winding up a company unless:—

(i.) either the number of members is reduced, in the case of a private company, below two, or, in the case of any other company, below seven; or

(ii.) the shares in respect of which he is a contributory, or some of them, either were originally allotted to him or have been held by him, and registered in his name, for at least six months during the eighteen months before the commencement of the winding up, or have devolved on him through the death of a former holder; and

(b.) A petition for winding up a company on the ground of default in filing the statutory report or in holding the statutory meeting shall not be presented by any person except a shareholder, nor before the expiration of fourteen days after the last day on which the meeting ought to have been held; and

(c.) The Court shall not give a hearing to a petition for winding up a company by a contingent or prospective creditor until such security for costs has been given as the Court thinks reasonable and until a *prima facie* case for winding up has been established to the satisfaction of the Court.

90. An order for winding up a company shall operate in favour of all the creditors and of all the contributories of the company as if made on the joint petition of a creditor and of a contributory.

Effect of
winding up
order.

91. A winding up of a company by the Court shall be deemed to commence at the time of the presentation of the petition for the winding up.

Commence-
ment of
winding up
by court.

Power to stay or restrain proceedings against company

92. At any time after the presentation of a petition for winding up, and before a winding up order has been made, the company, or any creditor or contributory, may, where any action or proceeding against the company is pending, apply to the Court for a stay of proceedings or to restrain further proceedings in the action or proceedings, and the Court may, as the case may be, stay or restrain the proceedings accordingly on such terms as it thinks fit.

Powers of court on hearing petition.

93.—(1.) On hearing the petition the Court may dismiss it with or without costs, or adjourn the hearing conditionally or unconditionally, or make any interim order, or any other order that it deems just, but the Court shall not refuse to make a winding up order on the ground only that the assets of the company have been mortgaged to an amount equal to or in excess of those assets, or that the company has no assets.

(2.) Where the petition is presented on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may order the costs to be paid by any persons who, in the opinion of the Court, are responsible for the default.

Actions stayed on winding up order.

94. When a winding up order has been made, no action or proceeding shall be proceeded with or commenced against the company except by leave of the Court, and subject to such terms as the Court may impose.

Copy of order to be forwarded to registrar.

95. On the making of a winding up order, a copy of the order must forthwith be forwarded by the company to the Registrar of Companies, who shall make a minute thereof in his books relating to the company.

Power of court to stay winding up.

96. The Court may at any time after an order for winding up, on the application of any creditor or contributory, and on proof to the satisfaction of the Court that all proceedings in relation to the winding up ought to be stayed, make an order staying the proceedings, either altogether or for a limited time, on such terms and conditions as the Court thinks fit.

Court may have regard to wishes of creditors or contributors.

97. The Court may, as to all matters relating to a winding up, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

Official Receiver.

Definition of official receiver.

98.—(1.) For the purposes of this Law so far as it relates to the winding up of companies, the term “official receiver” shall mean an officer appointed for the purpose by the High Commissioner.

(2.) Any such officer shall for the purpose of his duties under this Law be styled the official receiver.

99.—(1.) Where the Court has made a winding up order, there shall be made out and submitted to the official receiver a statement as to the affairs of the company in the prescribed form, verified by affidavit, and showing the particulars of its assets, debts, and liabilities, the names, residences, and occupations of its creditors, the securities held by them respectively, the dates when the securities were respectively given, and such further or other information as may be prescribed or as the official receiver may require.

Statement of company's affairs to be submitted to official receiver.

(2.) The statement shall be submitted and verified by one or more of the persons who are at the time of the winding up order the directors and by the person who is at that time the secretary or other chief officer of the company, or by such of the persons being or having been directors or officers of the company, or having taken part in the formation of the company at any time within one year before the winding up order, as the official receiver, subject to the direction of the Court, may require to submit and verify the same.

(3.) The statement shall be submitted within fourteen days from the date of the order, or within such extended time as the official receiver or the Court may for special reasons appoint.

(4.) Any person making or concurring in making the statement and affidavit required by this section shall be allowed, and shall be paid by the official receiver, out of the assets of the company, such costs and expenses incurred in and about the preparation and making of the statement and affidavit as the official receiver may consider reasonable, subject to an appeal to the Court.

(5.) If any person, without reasonable excuse, makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding one pound for every day during which the default continues.

(6.) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled by himself or by his agent at all reasonable times, on payment of the prescribed fee, to inspect the statement submitted in pursuance of this section, and to a copy thereof or extract therefrom. But any person untruthfully so stating himself to be a creditor or contributory shall be guilty of a contempt of Court and shall be punishable accordingly on the application of the liquidator or of the official receiver.

100.—(1.) Where the Court has made a winding up order, the official receiver shall, as soon as practicable after receipt of the statement of the company's affairs, submit a preliminary report to the Court:—

Report by official receiver.

(a.) As to the amount of capital issued, subscribed, and paid up, and the estimated amount of assets and liabilities; and

(b.) If the company has failed, as to the causes of the failure; and.

(c.) Whether in his opinion further inquiry is desirable as to any matter relating to the promotion, formation, or failure of the company, or the conduct of the business thereof.

(2.) The official receiver may also, if he thinks fit, make a further report, or further reports, stating the manner in which the company was formed and whether in his opinion any fraud has been committed by any person in its promotion or formation, or by any director or other officer of the company in relation to the company since the formation thereof, and any other matters which in his opinion it is desirable to bring to the notice of the Court.

Liquidators.

Appoint-
ment, remu-
neration,
and title of
liquidators.

101.—(1.) For the purpose of conducting the proceedings in winding up a company and performing such duties in reference thereto as the Court may impose, the Court may appoint a liquidator or liquidators, and may require him or them to furnish such security as the Court shall think fit.

(2.) The Court may make such an appointment provisionally at any time after the presentation of a petition and before the making of an order for winding up.

(3.)—(a.) If a provisional liquidator is appointed before the making of a winding up order, the official receiver or any other fit person may be appointed.

(b.) On a winding up order being made the official receiver shall by virtue of his office become the provisional liquidator and shall continue to act as such until he or another person becomes liquidator and is capable of acting as such;

(c.) When a person other than the official receiver is appointed liquidator he shall not be capable of acting as liquidator until he has notified his appointment to the Registrar of Companies and given security in the prescribed manner to the satisfaction of the Court.

(4.) If more than one liquidator is appointed by the Court, the Court shall declare whether any act by this Law required or authorized to be done by the liquidator is to be done by all or any one or more of the persons appointed.

(5.) A liquidator appointed by the Court may resign or, on cause shown, be removed by the Court.

(6.) A vacancy in the office of a liquidator appointed by the Court shall be filled by the Court, and the official receiver shall by virtue of his office be the liquidator during the vacancy,

(7.) Where a person other than the official receiver is appointed liquidator, he shall receive such salary or remuneration by way of percentage or otherwise as the Court may direct; and, if more such persons than one are appointed liquidators, their remuneration shall be distributed among them in such proportions as the Court directs.

(8.) A liquidator shall be described where a person other than the official receiver is liquidator, by the style of the liquidator, and, where the official receiver is liquidator, by the style of the official receiver and liquidator, of the particular company in respect of which he is appointed, and not by his individual name.

(9.) The acts of a liquidator shall be valid notwithstanding any defects that may afterwards be discovered in his appointment or qualification.

102. In a winding up the liquidator shall take into his custody, or under his control, all the property and things in action to which the company is or appears to be entitled. Custody of company's property.

103.—(1.) The liquidator in a winding up shall have power, with the sanction of the Court:— Powers of liquidator.

(a.) To bring or defend any action or other legal proceeding in the name and on behalf of the company;

(b.) To carry on the business of the company, so far as may be necessary for the beneficial winding up thereof;

(c.) To employ an advocate or other agent to take any proceedings or do any business which the liquidator is unable to take or do himself; but the sanction in this case must be obtained before the employment, except in cases of urgency, and in those cases it must be shown that no undue delay took place in obtaining the sanction.

(2.) The liquidator shall have power to do all such things as may be necessary for winding up the affairs of the company and distributing its assets.

(3.) The exercise by the liquidator in a winding up of the powers conferred by this section shall be subject to the control of the Court, and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of those powers.

(4.) Where a liquidator is provisionally appointed by the Court, the Court may limit and restrict his powers by the order appointing him.

104.—(1.) When a winding up order has been made by the Court, the official receiver shall summon separate meetings of the creditors and contributories of the company for the purpose of determining whether or not an application is to be made to the Court for appointing a liquidator in the place of the official receiver. Meetings of creditors and contributories in winding up.

(2.) The Court may make any appointment and order required to give effect to any such determination, and, if there is a difference between the determinations of the meetings of the creditors and contributories in respect of any of the matters mentioned in the foregoing provisions of this section, the Court shall decide the difference and make such order thereon as the Court may think fit.

(3.) In case a liquidator is not appointed by the Court the official receiver shall be the liquidator of the company.

Liquidator
to give
information
to official
receiver.

105. Where in the winding up of a company a person other than the official receiver is appointed liquidator he shall give the official receiver such information and such access to and facilities for inspecting the books and documents of the company, and generally such aid as may be requisite for enabling that officer to perform his duties under this Law.

Payments
of liquidator
winding up
into bank.

106.—(1.) Where in the winding up of a company a person other than the official receiver is appointed liquidator he shall open an account in the name of the company's estate at such bank as the Treasurer may direct.

(2.) If any such liquidator at any time retains for more than ten days a sum exceeding fifty pounds, or such other amount as the Court in any particular case authorize him to retain, then, unless he explains the retention to the satisfaction of the Court, he shall pay interest on the amount so retained in excess at the rate of twenty per cent. per annum, and shall be liable to disallowance of all or such part of his remuneration as the Court may think just, and to be removed from his office by the Court, and shall be liable to pay any expenses occasioned by reason of his default.

(3.) A liquidator shall not pay any sums received by him as liquidator into his private banking account.

(4.) Where the official receiver becomes or is appointed liquidator he shall, in such manner and at such times as the Treasurer may direct, pay the money received by him to the Companies Liquidation Account⁽¹⁾ at such bank as the Treasurer may direct.

Audit of
liquidator's
accounts in
winding up.

107.—(1.) Where in the winding up of a company a person other than the official receiver is appointed liquidator he shall, at such times as may be prescribed, but not less than twice in each year during his tenure of office, send to the official receiver an account of his receipts and payments as liquidator.

(2.) The account shall be in a prescribed form, shall be made in duplicate, and shall be verified by a declaration on oath in the prescribed form.

⁽¹⁾ See s. 142, *infra*.

(3.) The Court shall cause the account to be audited and for the purpose of the audit the liquidator shall furnish the Court with such vouchers and information as the Court may require, and the Court may at any time require the production of and inspect any books or accounts kept by the liquidator.

(4.) When the account has been audited, a copy thereof shall be filed and kept by the Court and shall be open to the inspection of any creditor, or of any person interested.

(5.) The Court shall cause the account when audited or a summary thereof to be printed, and shall send a printed copy of the account or summary by post to every creditor and contributory.

(6.) The accounts of the official receiver under this Law in relation to the winding up of companies shall be audited in such manner as the High Commissioner may direct, and the official receiver shall make such returns and give such information as the High Commissioner may direct.

108. Every liquidator of a company which is being wound up shall keep, in manner prescribed, proper books in which he shall cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor or contributory may, subject to the control of the Court, personally or by his agent inspect any such books.

Books to be kept by liquidator in winding up.

109.—(1.) When the liquidator of a company which is being wound up has realized all the property of the company, or so much thereof as can, in his opinion, be realized without needlessly protracting the liquidation, and has distributed a final dividend, if any, to the creditors, and adjusted the rights of the contributories among themselves, and made a final return, if any, to the contributories, or has resigned, or has been removed from his office, the Court shall, on his application, cause a report on his accounts to be prepared, and, on his complying with all the requirements of the Court, shall take into consideration the report, and any objection which may be urged by the official receiver or any creditor, or contributory, or person interested against the release of the liquidator, and shall either grant or withhold the release accordingly, subject nevertheless to an appeal to the Supreme Court.

Release of liquidators.

(2.) Where the release of a liquidator is withheld the Court may, on the application of the official receiver or any creditor, or contributory, or person interested, make such order as it thinks just, charging the liquidator with the consequences of any act or default which he may have done or made contrary to his duty.

(3.) An order of the Court releasing the liquidator shall discharge him from all liability in respect to any act done or default made by him in the administration of the affairs of the company, or otherwise in relation to his conduct as liquidator, but any such order may be revoked on proof that it was obtained by fraud or by suppression or concealment of any material fact.

(4.) Where the liquidator has not previously resigned or been removed, his release shall operate as a removal of him from his office.

Exercise and control of liquidators' powers.

110.—(1.) Subject to the provisions of this Law, the liquidator of a company which is being wound up shall, in the administration of the assets of the company and in the distribution thereof among its creditors, have regard to any directions that may be given by resolution of the creditors or contributories at any general meeting.

(2.) The liquidator may summon general meetings of the creditors or contributories for the purpose of ascertaining their wishes, and it shall be his duty to summon meetings at such times as the creditors or contributories, by resolution, either at the meeting appointing the liquidator or otherwise, may direct, or whenever requested in writing to do so by one-tenth in value of the creditors or contributories as the case may be.

(3.) The liquidator may apply to the Court in manner prescribed for directions in relation to any particular matter arising under the winding up.

(4.) Subject to the provisions of this Law, the liquidator shall use his own discretion in the management of the estate and its distribution among the creditors.

(5.) If any person is aggrieved by any act or decision of the liquidator, that person may apply to the Court, and the Court may confirm, reverse, or modify the act or decision complained of, and make such order in the premises as it thinks just.

Control over liquidators.

111.—(1.) When a person other than the official receiver is appointed liquidator the official receiver shall take cognizance of the conduct of liquidators of companies which are being wound up, and, if a liquidator does not faithfully perform his duties and duly observe all the requirements imposed on him by rules, or otherwise with respect to the performance of his duties, or if any complaint is made to the official receiver by any creditor or contributory in regard thereto, the official receiver shall inquire into the matter, and take such action thereon as he may think expedient.

(2.) The official receiver may at any time require any liquidator of a company which is being wound up to answer any inquiry in

relation to any winding up in which he is engaged, and may, if the official receiver think fit, apply to the Court to examine him or any other person on oath concerning the winding up.

(3.) The Court may also direct a local investigation to be made of the books and vouchers of the liquidator.

Ordinary Powers of Court.

112.—(1.) As soon as may be after making a winding up order, the Court shall settle a list of contributories, with power to rectify the register of members in all cases where rectification is required in pursuance of this Law, and shall cause the assets of the company to be collected, and applied in discharge of its liabilities.

Settlement of list of contributories and application of assets.

(2.) In settling the list of contributories, the Court shall distinguish between persons who are contributories in their own right and persons who are contributories as being representatives of or liable to the debts of others.

113. The Court may, at any time after making a winding up order, require any contributory for the time being settled on the list of contributories, and any trustee, receiver, banker, agent, or officer of the company to pay, deliver, convey, surrender, or transfer forthwith, or within such time as the Court directs, to the liquidator any money, property, or books and papers in his hands to which the company is *primâ facie* entitled.

Power to require delivery of property.

114.—(1.) The Court may, at any time after making a winding up order, make an order on any contributory for the time being settled on the list of contributories to pay, in manner directed by the order, any money due from him or from the estate of the person whom he represents to the company, exclusive of any money payable by him or the estate by virtue of any call in pursuance of this Law.

Power to order payment of debts by contributory.

(2.) But in the case of any company when all the creditors are paid in full, any money due on any account whatever to a contributory from the company may be allowed to him by way of set-off against any subsequent call.

115.—(1.) The Court may, at any time after making a winding up order, and either before or after it has ascertained the sufficiency of the assets of the company, make calls on and order payment thereof by all or any of the contributories for the time being settled on the list of the contributories to the extent of their liability, for payment of any money which the Court considers necessary to satisfy the debts and liabilities of the company, and the costs, charges, and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

Power of court to make calls.

(2.) In making a call the Court may take into consideration the probability that some of the contributories may partly or wholly fail to pay the call.

Power to order payment into bank.

116.—(1.) The Court may order any contributory, purchaser or other person from whom money is due to the company to pay the same into such bank as the Court may direct to the account of the liquidator instead of to the liquidator, and any such order may be enforced in the same manner as if it had directed payment to the liquidator.

(2.) All moneys and securities paid or delivered into such bank in the event of a winding up by the Court shall be subject in all respects to the orders of the Court.

Order on contributory conclusive evidence.

117.—(1.) An order made by the Court on a contributory shall (subject to any right of appeal) be conclusive evidence that the money, if any, thereby appearing to be due or ordered to be paid is due.

(2.) All other pertinent matters stated in the order shall be taken to be truly stated as against all persons, and in all proceedings, except proceedings against the real estate of a deceased contributory, in which case the order shall be only *primâ facie* evidence for the purpose of charging his real estate, unless his heirs or devisees were on the list of contributories at the time of the order being made.

Power to exclude creditors not proving in time.

118. The Court may fix a time or times within which creditors are to prove their debts or claims, or to be excluded from the benefit of any distribution made before those debts are proved.

Adjustment of rights of contributories.

119. The Court shall adjust the rights of the contributories among themselves, and distribute any surplus among the persons entitled thereto.

Power to order costs.

120. The Court may, in the event of the assets being insufficient to satisfy the liabilities, make an order as to the payment out of the assets of the costs, charges, and expenses incurred in the winding up in such order of priority as the Court thinks just.

Dissolution of company.

121.—(1.) When the affairs of a company have been completely wound up, the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly.

(2.) The order shall be reported by the liquidator to the Registrar of Companies who shall make in his books a minute of the dissolution of the company.

(3.) If the liquidator makes default in complying with the requirements of this section he shall be liable to a fine not exceeding one pound for every day during which he is in default.

Extraordinary Powers of Court.

122.—(1.) The Court may, after it has made a winding up order, summon before it any officer of the company or person known or suspected to have in his possession any property of the company or supposed to be indebted to the company, or any person whom the Court deems capable of giving information concerning the trade, dealings, affairs, or property of the company.

Power to
summon
persons
suspected of
having
property of
company.

(2.) The Court may examine him on oath concerning the same, either by word of mouth or on written interrogatories, and may reduce his answers to writing and require him to sign them.

(3.) The Court may require him to produce any books and papers in his custody or power relating to the company; but, where he claims any lien on books or papers produced by him, the production shall be without prejudice to that lien, and the Court shall have jurisdiction in the winding up to determine all questions relating to that lien.

(4.) If any person so summoned, after being tendered a reasonable sum for his expenses, refuses to come before the Court at the time appointed, not having a lawful impediment (made known to the Court at the time of its sitting, and allowed by it), the Court may cause him to be apprehended, and brought before the Court for examination.

123.—(1.) When an order has been made for winding up a company and the official receiver has made a further report under this Law stating that in his opinion a fraud has been committed by any person in the promotion or formation of the company, or by any director or other officer of the company in relation to the company since its formation, the Court may, after consideration of the report, direct that any person who has taken any part in the promotion or formation of the company, or has been a director, or officer of the company, shall attend before the Court on a day appointed by the Court for that purpose, and be publicly examined as to the promotion or formation or the conduct of the business of the company, or as to his conduct and dealings as director or officer thereof.

Power to
order public
examination
of promoters,
directors,
etc.

(2.) The official receiver shall take part in the examination, and for that purpose may, if specially authorized by the Court in that behalf, employ an advocate.

(3.) The liquidator, where the official receiver is not the liquidator, and any creditor or contributory, may also take part in the examination either personally or by advocate.

(4.) The Court may put such questions to the person examined as the Court thinks fit.

(5.) The person examined shall be examined on oath, and shall answer all such questions as the Court may put or allow to be put to him.

(6.) A person ordered to be examined under this section shall at his own cost, before his examination, be furnished with a copy of the official receiver's report, and may at his own cost employ an advocate who shall be at liberty to put to him such questions as the Court may deem just for the purpose of enabling him to explain or qualify any answers given by him: Provided that if he is, in the opinion of the Court, exculpated from any charges made or suggested against him, the Court may allow him such costs as in its discretion it may think fit.

(7.) Notes of the examination shall be taken down in writing, and shall be read over to or by, and signed by, the person examined, and may thereafter be used in evidence against him, and shall be open to the inspection of any creditor or contributory at all reasonable times.

(8.) The Court may, if it thinks fit, adjourn the examination from time to time.

Power to
arrest
absconding
contribu-
tory.

124. The Court at any time either before or after making a winding up order, on proof of probable cause for believing that a contributory is about to quit Cyprus, or otherwise to abscond, or to remove or conceal any of his property for the purpose of evading payment of calls, or of avoiding examination respecting the affairs of the company, may cause the contributory to be arrested, and his books and papers and movable personal property to be seized, and him and them to be safely kept until such time as the Court may order.

Powers of
court
cumulative.

125. Any powers by this Law conferred on the Court shall be in addition to and not in restriction of any existing powers of instituting proceedings against any contributory or debtor of the company, or the estate of any contributory or debtor, for the recovery of any call or other sums.

Enforcement of and Appeal from Orders.

Power to
enforce
orders.

126. Orders made by the Court under this Law may be enforced in the same manner as orders made in any action pending therein.

127. Subject to Rules of Court, an appeal from any order or decision made or given in the winding up of a company under this Law shall lie in the same manner and subject to the same conditions as an appeal from any order or decision of the Court in cases within its ordinary jurisdiction.

Appeals
from order

Supplementary Provisions.

128. In every winding up (subject in the case of insolvent companies to the application in accordance with the provisions of this Law of the law of bankruptcy) all debts payable on a contingency, and all claims against the company, present or future, certain or contingent, ascertained or sounding only in damages, shall be admissible to proof against the company, a just estimate being made, so far as possible, of the value of such debts or claims as may be subject to any contingency or sound only in damages, or for some other reason do not bear a certain value.

Debts of all
descriptions
to be proved.

129. In the winding up of an insolvent company the same rules shall prevail and be observed with regard to the respective rights of secured and unsecured creditors and to debts provable and to the valuation of annuities and future and contingent liabilities as are in force for the time being under the law of bankruptcy with respect to the estates of persons adjudged bankrupt; and all persons who in any such case would be entitled to prove for and receive dividends out of the assets of the company may come in under the winding up, and make such claims against the company as they respectively are entitled to by virtue of this section.

Application
of
bankruptcy
rules in
winding up
of insolvent
companies.

130.—(1.) In a winding up there shall be paid in priority to all other debts:—

Preferential
payments.

(a.) All local rates and taxes due from the company at the date hereinafter mentioned, and having become due and payable within twelve months next before that date;

(b.) All wages or salary of any clerk or servant in respect of services rendered to the company during four months before the said date, not exceeding fifty pounds; and

(c.) All wages of any workman or labourer not exceeding twenty-five pounds, whether payable for time or for piece work, in respect of services rendered to the company during two months before the said date.

(2.) The foregoing debts shall rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportions.

(3) Subject to the retention of such sums as may be necessary for the costs and expenses of the winding up, the foregoing debts shall be discharged forthwith so far as the assets are sufficient to meet them.

(4.) The date hereinbefore in this section referred to is the date of the commencement of the winding up.

Fraudulent preference.

131.—(1.) Any conveyance, mortgage, delivery of goods, payment, execution, or other act relating to property which would, if made or done by or against an individual, be deemed in his bankruptcy a fraudulent preference, shall, if made or done by or against a company, be deemed, in the event of its being wound up, a fraudulent preference of its creditors, and be invalid accordingly.

(2.) For the purposes of this section the presentation of a petition for winding up shall be deemed to correspond with the act of bankruptcy in the case of an individual.

(3.) Any conveyance or assignment by a company of all its property to trustees for the benefit of all its creditors shall be void to all intents.

Avoidance of certain attachments, executions, etc., in case of company registered.

132. Where any company is being wound up, any attachment, sequestration, distress, or execution put in force against the estate or effects of the company after the commencement of the winding up shall be void to all intents.

General scheme of liquidation may be sanctioned.

133.—(1.) The liquidator may, with the sanction of the Court, do the following things or any of them :

- (i.) Pay any classes of creditors in full;
- (ii.) Make any compromise or arrangement with creditors or persons claiming to be creditors, or having or alleging themselves to have any claim, present or future, certain or contingent, ascertained or sounding only in damages against the company, or whereby the company may be rendered liable;
- (iii.) Compromise all calls and liabilities to calls, debts, and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent, ascertained or sounding only in damages, subsisting or supposed to subsist between the company and a contributory, or alleged contributory, or other debtor or person apprehending liability to the company, and all questions in any way relating to or affecting the assets or the winding up of the company, on such terms as may be agreed, and take any security for the discharge of any such call, debt, liability or claim, and give a complete discharge in respect thereof.

(2.) The exercise by the liquidator of the powers of this section shall be subject to the control of the Court, and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of those powers

134.—(1.) Where in the course of winding up a company it appears that any person who has taken part in the formation or promotion of the company, or any past or present director, manager, or liquidator, or any officer of the company, has misapplied or retained or become liable or accountable for any money or property of the company, or been guilty of any misfeasance or breach of trust in relation to the company, the Court may, on the application of the official receiver, or of the liquidator, or of any creditor or contributory, examine into the conduct of the promoter, director, manager, liquidator, or officer, and compel him to repay or restore the money or property or any part thereof respectively with interest at such rate as the Court thinks just, or to contribute such sum to the assets of the company by way of compensation in respect of the misapplication, retainer, misfeasance, or breach of trust as the Court thinks just.

Power of court to assess damages against delinquent directors, etc.

(2.) This section shall apply notwithstanding that the offence is one for which the offender may be criminally responsible.

135. If any director, officer, or contributory of any company being wound up destroys, mutilates, alters, or falsifies any books, papers, or securities, or makes or is privy to the making of any false or fraudulent entry in any register, book of account, or document belonging to the company with intent to defraud or deceive any person, he shall be liable to imprisonment for any term not exceeding two years, with or without hard labour.

Penalty for falsification of books.

136. If it appears to the Court in the course of a winding up that any past or present director, manager, officer, or member of the company has been guilty of any offence in relation to the company for which he is criminally responsible, the Court may on the application of any person interested in the winding up, or of its own motion, direct the liquidator to prosecute for the offence, and may order the costs and expenses to be paid out of the assets of the company.

Prosecution of delinquent directors, etc.

137. If any person, on examination on oath authorized under this Law, or in any affidavit or deposition in or about the winding up of any company or otherwise in or about any matter arising under this Law, wilfully and corruptly gives false evidence, he shall be liable to the penalties for wilful perjury.

Penalty on perjury.

Books of company to be evidence.

138. Where any company is being wound up, all books and papers of the company and of the liquidators shall, as between the contributories of the company, be *prima facie* evidence of the truth of all matters purporting to be therein recorded.

Inspection of books.

139. After an order for a winding up, the Court may make such order for inspection by creditors and contributories of the company of its books and papers as the Court thinks just, and any books and papers in the possession of the company may be inspected by creditors or contributories accordingly, but not further or otherwise.

Disposal of books and papers of company.

140.—(1.) When a company has been wound up and is about to be dissolved, the books and papers of the company and of the liquidators may be disposed of in such way as the Court directs.

(2.) After five years from the dissolution of the company no responsibility shall rest on the company, or the liquidators, or any person to whom the custody of the books and papers has been committed, by reason of the same not being forthcoming to any person claiming to be interested therein.

Affidavits, etc.

141.—(1.) Any affidavit required to be sworn under the provisions or for the purposes of this Part of this Law may be sworn in Cyprus, or elsewhere within the Dominions of His Majesty, before any court, judge or person lawfully authorized to take and receive affidavits or before any of His Majesty's consuls or vice-consuls in any place outside His Majesty's Dominions.

(2.) All courts, judges, justices, commissioners, and persons acting judicially shall take judicial notice of the seal or stamp or signature (as the case may be) of any such court, judge, person, consul, or vice-consul attached, appended, or subscribed to any such affidavit, or to any other document to be used for the purposes of this Part of this Law.

Companies Liquidation Account defined.

142.—(1.) An account, called the Companies Liquidation Account, shall be kept by the official receiver and all monies received by the official receiver in respect of proceedings under this Law in connection with the winding up of companies shall be paid to that account at such bank as the Treasurer shall direct.

(2.) All payments out of money standing to the credit of the official receiver in the Companies Liquidation Account shall be made by the bank in the prescribed manner.

Officers and remuneration.

143.—(1.) The High Commissioner may appoint such additional officers as may be required for the execution of this Part of this Law, and may remove any person so appointed.

(2.) The High Commissioner shall direct whether any and what remuneration is to be allowed to any officer or person performing any duties under this Part of this Law in relation to the winding up of companies, and may vary, increase, or diminish that remuneration as he thinks fit.

REGISTRATION OFFICE AND FEES.

144.—(1.) For the purposes of the registration of companies under this Law, there shall be an office in Cyprus. Registration office.

(2.) The High Commissioner may appoint such registrar, assistant registrar, clerks, and servants as he thinks necessary for the registration of companies under this Law, and may make regulations with respect to their duties; and may make provision for their remuneration, if any; and may remove any persons so appointed.

(3.) The High Commissioner may direct a seal or seals to be prepared for the authentication of documents required for or connected with the registration of companies.

(4.) Any person may inspect the documents kept by the Registrar on payment of one shilling for each inspection; and any person may require a certificate of the incorporation of any company, or a copy or extract of any other document or any part of any other document, to be certified by the Registrar, on payment of five shillings for a certificate of incorporation, and of 4½ cp. for each folio of a certified copy or extract.

(5.) A copy of or extract from any document kept and registered at any of the offices for the registration of companies, certified to be a true copy under the hand of the Registrar or an assistant registrar (whose official position it shall not be necessary to prove) shall in all legal proceedings be admissible in evidence as of equal validity with the original document.

(6.) Whenever any act is by this Law directed to be done to or by the Registrar of Companies, it shall, until the High Commissioner otherwise directs, be done to or by the Registrar of Companies, or in his absence to or by such person as the High Commissioner may for the time being authorize.

145.—(1.) There shall be paid to the Registrar in respect of the several matters mentioned in the First Schedule to this Law the several fees therein specified, or such smaller fees as the High Commissioner may from time to time direct. Fees.

(2.) All fees paid to the Registrar in pursuance of this Law shall be paid to the Treasurer.

COMPANIES ESTABLISHED OUTSIDE CYPRUS.

Requirements
as to
companies
established
outside
Cyprus.

146.—(1.) Every company incorporated outside Cyprus which establishes or has established a place of business within Cyprus shall within one month from the establishment of the place of business or within two months from the date of the coming into operation of this Law, as the case may be, file with the Registrar of Companies—

- (a.) a certified copy of the charter, statutes, or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof;
- (b.) a list of the directors of the company;
- (c.) the names and addresses of some one or more persons resident in Cyprus authorized to accept on behalf of the company service of process and any notices required to be served on the company;

and, in the event of any alteration being made in any such instrument or in the directors or in the names or addresses of any such persons, as aforesaid, the company shall within the prescribed time file with the Registrar a notice of the alteration.

(2.) Any process or notice required to be served on the company shall be sufficiently served if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

(3.) Every company to which this section applies shall in every year file with the Registrar such a statement in the form of a balance sheet as would, if it were a company formed and registered under this Law and having a share capital, be required under this Law to be included in the annual summary.

(4.) Every company to which this section applies, and which uses the word " Limited " as part of its name, shall—

- (a.) in every prospectus inviting subscriptions for its shares or debentures in Cyprus state the country in which the company is incorporated; and
- (b.) conspicuously exhibit on every place where it carries on business in Cyprus the name of the company and the country in which the company is incorporated; and
- (c.) have the name of the company and of the country in which the company is incorporated mentioned in legible characters in all billheads and letter paper, and in all notices, advertisements, and other official publications of the company.

(5.) If any company to which this section applies fails to comply with any of the requirements of this section the company, and every officer or agent of the company, shall be liable to a fine not exceeding five pounds, or, in the case of a continuing offence, one pound for every day during which the default continues.

(6.) For the purposes of this section:—

The expression “certified” means certified in the prescribed manner to be a true copy or a correct translation;

The expression “place of business” includes a share transfer or share registration office;

The expression “director” includes any person occupying the position of director, by whatever name called; and

The expression “prospectus” means any prospectus, notice, circular, advertisement, or other invitation, offering to the public for subscription or purchase any shares or debentures of the company.

(7.) There shall be paid to the Registrar for registering any document required by this section to be filed with him a fee of five shillings or such smaller fee as may be prescribed.

147. A company incorporated in a British possession which has filed with the Registrar of Companies the documents and particulars specified in paragraphs (a), (b) and (c) of sub-section (1) of the last foregoing section shall have the same power to hold lands in Cyprus as if it were a company incorporated under this Law.

Power of companies incorporated in British possessions to hold lands.

SUPPLEMENTAL.

148. The Court imposing any fine under this Law may direct that the whole or any part thereof be applied in or towards payment of the costs of the proceedings, or in or towards the rewarding the person on whose information or at whose suit the fine is recovered, and subject to any such direction all fines under this Law shall be paid to the Treasurer.

Applications of fines.

149. Where a limited company is plaintiff in any action or other legal proceeding, any judge having jurisdiction in the matter may, if it appears by credible testimony that there is reason to believe that the company will be unable to pay the costs of the defendant if successful in his defence, require sufficient security to be given for those costs, and may stay all proceedings until the security is given.

Costs in actions by certain limited companies.

150. If in any proceeding against a director, or person occupying the position of director, of a company for negligence or breach of trust it appears to the Court hearing the case that the director or person is or may be liable in respect of the negligence or breach of trust, but has acted honestly and reasonably, and ought fairly to

Power of court to grant relief in certain cases.

be excused for the negligence or breach of trust, that Court may relieve him, either wholly or partly, from his liability on such terms as the Court may think proper.

Penalty for false statement.

151. If any person in any return, report, certificate, balance sheet, or other document, required by or for the purposes of any of the provisions of this Law wilfully makes a statement false in any material particular, knowing it to be false, he shall be liable to imprisonment for a term not exceeding two years, with or without hard labour and to a fine in lieu of or in addition to such imprisonment as aforesaid.

Penalty for improper use of word "Limited."

152. If any person or persons trade or carry on business under any name or title of which "Limited" is the last word, that person or those persons shall, unless duly incorporated with limited liability, be liable to a fine not exceeding five pounds for every day upon which that name or title has been used.

Rules and Fees.

Rules and fees.

153.—(1.) The High Commissioner in Council may make rules including rules as to costs and fees for carrying into effect the objects of this Law.

3. 1923. 2.

(2.) The High Commissioner with the advice and assistance of the Chief Justice may by writing under the hand and official seal of the High Commissioner and the hand of the Chief Justice make Rules of Court for regulating the practice (including scales of fees and evidence), in respect of proceedings of any kind under this Law.

Date of coming into operation.

154. This Law shall come into operation on such date as shall be fixed by order of the High Commissioner.⁽¹⁾

FIRST SCHEDULE. (SS. 79 (2), 145.)

TABLE OF FEES TO BE PAID TO THE REGISTRAR OF COMPANIES.

	£	s.	d.
For registration of a company whose nominal share capital does not exceed 2,000l.	2	0	0
For registration of a company whose nominal share capital exceeds 2,000l., the following fees, regulated according to the amount of nominal share capital (that is to say):			
	£	s.	d.
For every 1,000l. of nominal share capital, or part of 1,000l., up to 5,000l.	1	0	0
For every 1,000l. of nominal share capital, or part of 1,000l., after the first 5,000l., up to 100,000l.	5	0	
For every 1,000l. of nominal share capital, or part of 1,000l., after the first 100,000l. ..	1	0	

(1) 1st July, 1922. See Gazette 28rd June, 1922

For registration of any increase of share capital made after the first registration of the company, the same fees per 1,000*l.*, or part of a 1,000*l.*, as would have been payable if the increased share capital had formed part of the original share capital at the time of registration :

Provided that no company shall be liable to pay in respect of nominal share capital, on registration or afterwards, any greater amount of fees than 50*l.*, taking into account in the case of fees payable on an increase of share capital after registration the fees paid on registration.

For registration of any existing company, except such companies as are by this Law exempted from payment of fees in respect of registration under this Law, the same fee as is charged for registering a new company.

For registering any document by this Law required or authorized to be registered, other than the memorandum or the abstract required to be filed with the registrar by a receiver or manager or the statement required to be sent to the registrar by the liquidator in a winding up ... 5 0

For making a record of any fact by this Law required or authorized to be recorded by the registrar ... 5 0

SECOND SCHEDULE. (S. 70.)

FORM OF STATEMENT TO BE PUBLISHED BY BANKING COMPANIES, AND DEPOSIT, PROVIDENT, OR BENEFIT SOCIETIES.

* The share capital of the company is _____, divided into
shares of _____ each.

The number of shares issued is _____

Calls to the amount of _____ pounds per share have been made,
under which the sum of _____ pounds has been received.

The liabilities of the company on the first day of January (or July)
were—

Debts owing to sundry persons by the company.

- On judgment, £
- On notes or bills, £
- On contracts, £
- On estimated liabilities, £

The assets of the company on that day were—

- Government securities [*stating them*]
- Bills of exchange and promissory notes, £
- Cash at the bankers, £
- Other securities, £

* If the company has no share capital the portion of the statement relating to capital and shares must be omitted.

THIRD SCHEDULE. (S. 55.)

THE COMPANIES (LIMITED LIABILITY) LAW, 1922.
STATEMENT IN LIEU OF PROSPECTUS

filed by

LIMITED

pursuant to section 55 of the Companies (Limited Liability) Law, 1922,
Presented for filing by

THE COMPANIES (LIMITED LIABILITY) LAW, 1922.

LIMITED.

STATEMENT IN LIEU OF PROSPECTUS.

The nominal share capital of the company.	£
Divided into	Shares of £ each. " " " " " "
Names, descriptions, and addresses of directors or proposed directors.	
Minimum subscription (if any) fixed by the memorandum or articles of association on which the company may proceed to allotment.	
Number and amount of shares agreed to be issued as fully or partly paid-up otherwise than in cash. The consideration for the intended issue of those shares.	1. shares of £ fully paid. 2. shares upon which £ per share credited as paid. 3. Consideration.

<p>Names and addresses of vendors of property purchased or acquired or proposed to be purchased or acquired by the company. Amount (in cash or shares) payable to each separate vendor.</p>	
<p>Amount (if any) paid or payable (in cash or shares) for any such property, specifying amount (if any) paid or payable for goodwill.</p>	<p>Total purchase price £ Cash £ Shares £ Goodwill £</p>
<p>Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in the company, or Rate of the commission.</p>	<p>Amount paid. ,, payable. Rate per cent.</p>
<p>Estimated amount of preliminary expenses. Amount paid or intended to be paid to any promoter. Consideration for the payment.</p>	<p>£ Name of promoter. Amount £ Consideration :—</p>
<p>Dates of, and parties to, every material contract (other than contracts entered into in the ordinary course of the business intended to be carried on by the company or entered into more than two years before the filing of this statement).</p>	
<p>Time and place at which the contracts or copies thereof may be inspected.</p>	

Names and addresses of the auditors of the company (if any).

Full particulars of the nature and extent of the interest of every director in the promotion of or in the property proposed to be acquired by the company or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion of formation of the company.

Whether the articles contain any provisions precluding holders of shares receiving and inspecting balance sheets or reports of the auditors or other reports.

Nature of the provisions.

(Signatures of the persons above-named as directors or proposed directors, or of their agents authorized in writing.)
.....
.....

FOURTH SCHEDULE. (S. 79.)

MEMORANDUM OF ASSOCIATION OF A COMPANY.

1st. The name of the company is " The Eastern Steam Packet Company Limited."

2nd. The registered office of the company will be situate in Cyprus.

3rd. The objects for which the company is established are, " the conveyance of passengers and goods in ships or boats between such places as the company may from time to time determine, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th. The liability of the members is limited.

5th. The share capital of the company is two hundred thousand pounds divided into one thousand shares of two hundred pounds each.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers.	No. of Shares taken by each Subscriber.
" 1. A.B. of merchant	200
" 2. C.D. of "	25
" 3. E.F. of "	30
" 4. G.H. of "	40
" 5. I.J. of "	15
" 6. K.L. of "	5
" 7. M.N. of "	10
Total shares taken	325

Dated the day of 19 .

Witness to the above signatures,

X.Y. of

FORM AS REQUIRED BY SECTION 26 OF THE LAW.

Summary of Share Capital and Shares of the Company,
 Limited, made up to the day of 19 (being
 the fourteenth day after the date of the first ordinary general
 meeting in 19).

Nominal share capital £ divided into¹ { shares of £ each.
 shares of £ each.

Total number of shares taken up¹ to the
 day of 19 (which number {
 must agree with the total shown in the list as
 held by existing members)

Number of shares issued subject to payment wholly in cash
 Number of shares issued as fully paid up otherwise than
 in cash

Number of shares issued as partly paid up to the extent
 of per share otherwise than in cash

²There has been called up on each of shares, £ .

There has been called up on each of shares, £ .

²There has been called up on each of shares, £ .

³Total amount of calls received, including payments on
 application and allotment £

Total amount (if any) agreed to be considered as paid on
 shares which have been issued as fully paid up
 otherwise than in cash £

Total amount (if any) agreed to be considered as paid on
 shares which have been issued as partly paid up
 to the extent of per share £

Total amount of calls unpaid £

Total amount (if any) of sums paid by way of commission
 in respect of shares or allowed by way of discount since
 date of last summary £

Total amount (if any) paid on⁴ shares forfeited ... £

Total amount of debt due from the company in respect of
 all mortgages and charges which are required to be
 registered with the registrar £

Statement in the form of a balance sheet made up to the day of
 19 containing the particulars of the capital, liabilities, and
 assets of the company.

¹When there are shares of different kinds or amounts (*e.g.*, Preference and Ordinary, or 10*l.* or 5*l.*) state the numbers and nominal values separately.

²Where various amounts have been called or there are shares of different kinds state them separately.

³Include what has been received on forfeited as well as on existing shares.

⁴State the aggregate number of shares forfeited (if any).