

CHAPTER 321

INSCRIBED RUPEE STOCK

Ordinances
Nos. 8 of 1892
6 of 1928

AN ORDINANCE TO PROVIDE FOR THE CREATION OF INSCRIBED RUPEE STOCK TO BE ISSUED IN SRI LANKA.

[6th September. 1892.]

Shorttitle.

1. This Ordinance may be cited as the Ceylon Inscribed Rupee Stock Ordinance.

Deputy Secretary to the Treasury when issuing the stock, such date not being later than fifty years from the date of issue. From and after which date all interest on the principal moneys secured thereby shall cease and determine, whether payment of the principal shall have been demanded or not.

Minister in charge of subject of Finance may raise by means of inscribed rupee stock money which he is authorized to raise by loan.

2. It shall be lawful for the Minister in charge of the subject of Finance, whenever he desires to raise any sum or sums of money, being the whole or any portion of any sum which he may have been or shall hereafter be authorized to raise by way of loan, by any enactment which may have been or at any time may be passed, to raise the same or any part thereof by the creation and issue of inscribed rupee stock, under the provisions of this Ordinance.

6. The principal moneys secured by the inscribed rupee stock created under this Ordinance, and the interest thereon, shall be payable at the Treasury at Colombo :

Principal and interest where payable.

Stock to be styled " Ceylon Inscribed Rupee Stock ", and issued by the Deputy Secretary to the Treasury.

3. Such stock shall be styled " Ceylon Inscribed Rupee Stock ", and shall from time to time be issued by the Deputy Secretary to the Treasury, who is hereinafter defined as " the Registrar ", upon the best and most favourable terms that can be obtained, and in such amounts and on such conditions, subject to the provisions of this Ordinance, as the Minister in charge of the subject of Finance may before the issue thereof from time to time direct:

Provided that it shall be lawful for the Registrar to make such arrangements as the Minister in charge of the subject of Finance may approve for making the interest payable by post dividend warrant at any kachcheri in Sri Lanka.

7. So long as interest shall continue to be payable on any such inscribed rupee stock there shall in each half-year ending with the day on which the interest thereon falls due be appropriated out of the Consolidated Fund a sum equal to one half-year's interest thereon, and the Deputy Secretary to the Treasury shall pay thereout the then current half-year's interest on the day when it falls due. After the date specified in the enactment authorizing an issue of inscribed rupee stock as that on which the contribution to the sinking fund shall commence, there shall be further appropriated out of the said Consolidated Fund in each half-year ending as aforesaid an additional sum for the formation of a sinking fund equal to one-half *per centum* on the total nominal amount of such inscribed rupee stock, and that sum shall be vested in the hands of the Deputy Secretary to the Treasury and one other public officer

Appropriation out of Consolidated Fund of sums to meet interest and principal.

Inscribed rupee stock to be a charge upon Consolidated Fund.

Provided that the interest on such stock shall not exceed four *per centum* per annum.

4. The principal moneys and interest secured by the inscribed rupee stock created under the provisions of this Ordinance are hereby charged upon and shall be payable out of the Consolidated Fund and assets of the Government of Sri Lanka.

When the principal is to be repaid.

5. All the inscribed rupee stock which may be created under the provisions of this Ordinance shall be redeemable at par on a date to be named in that behalf by the

to be nominated by the Minister in charge of the subject of Finance, who are hereby appointed trustees of the sinking fund.

further payments of contributions to the said sinking fund:

Investment of sinking fund.

8. The contributions to the sinking fund shall be applied as follows:—

Provided always that contributions to the sinking fund shall be recommenced if the trustees shall at any time inform the Minister in charge of the subject of Finance that it is necessary.

(a) if the price of the inscribed rupee stock be below par at the time when the contributions are received, the trustees shall, if practicable, purchase therewith the inscribed rupee stock in the market, and shall cancel in the register the stock so purchased ;

11. All expenses of or incidental to the management of the sinking fund or to the repayment of the principal moneys borrowed shall be paid out of the sinking fund. Expenses to be paid out of sinking fund.

(b) the trustees shall invest so much of the contributions as shall not be applied in the purchase of inscribed rupee stock, and the dividends, interest, or produce of such investments, in the purchase of such debentures, stock, or other security, as may from time to time be approved by the Minister in charge of the subject of Finance, and shall hold such fund in trust for repayment of the principal moneys for the time being secured by the inscribed rupee stock.

12. The stock to which this Ordinance applies shall be transferred as follows :— Transfer of stock-

(a) the transfer shall be made by an agreement in writing which shall be signed by the transferor and transferee, which shall be attested by a credible witness, but no transfer under such agreement shall be registered without the production of the stock certificate referred to in section 22;

(b) the person becoming entitled to any stock or dividend thereon in consequence of the death, bankruptcy, or marriage of the stockholder, or of any devolution in law from the stockholder, or otherwise than by transfer of the stock, shall produce such evidence of his title as may be reasonably required by the Registrar.

Any deficiency in sinking fund to be made good out of Consolidated Fund.

9. In case the sinking fund shall be insufficient to provide the necessary funds for the redemption of the inscribed rupee stock when it shall have become due, the deficiency shall be made good out of the Consolidated Fund and assets of the Government of Sri Lanka.

13. The Registrar may, for such period not exceeding fourteen days as he may from time to time fix previous to each payment of dividend on stock to which this Ordinance applies, close the register of the stock as regards transfers, upon giving not less than seven days' notice of such closing by advertisement in the Gazette and in one newspaper published in Sri Lanka. Closing of register for dividend.

Ccsher of sinking fund contribution.

10. Notwithstanding anything to the contrary contained in this Ordinance, if at any time the trustees of the sinking fund of any Ceylon Inscribed Rupee Stock issued or to be issued under the provisions of this Ordinance are satisfied that the value of the sinking fund will be sufficient with further accumulations of interest but without further payments of contributions to enable the loan to be redeemed out of the proceeds of the sinking fund when the same shall fall due to be redeemed, the Minister in charge of the subject of Finance may suspend

The persons who on the day of such closing are inscribed as stockholders shall, as between them and their transferees of stock, be entitled to the dividend then next payable thereon.

14. Where stock to which this Ordinance applies is standing in the name of an infant or person of unsound mind jointly with any person not under legal Dividends in case of infancy, &c., of a joint stockholder.

disability, a power of attorney for the receipt of the dividends on the stock shall be sufficient authority in that behalf, if given under the hand of the person not under disability, and attested.

The Registrar, before acting on the power of attorney, may require proof to his satisfaction of the alleged infancy or unsoundness of mind, by the affidavit of competent persons made before a Justice of the Peace, or in such other manner as he may reasonably require.

STOCK CERTIFICATES TO BEARER

Stock certificates to bearer.

15. The Registrar, if so authorized by the Minister in charge of the subject of Finance, shall, on application and payment of the fees, if any, chargeable in respect of the certificate, grant to a stockholder a certificate (in this Ordinance called " a stock certificate to bearer ") which shall entitle the bearer to the Stock therein described, and shall be transferable by delivery.

There shall be attached to such certificate coupons entitling the bearer or person named in the coupons to the dividends on the stock for a limited period, such interest to be payable only on the production of the certificate with its unpaid coupons complete at the Treasury at Colombo.

Any stock in respect of which a stock certificate to bearer has been so issued shall, so long as such certificate is outstanding, cease to be dealt with through the medium of the register.

Renewal of coupons or certificate.

16. On the expiration of the period for which the coupons attached to a stock certificate to bearer have been issued under this Ordinance, the certificate may be exchanged for another certificate with coupons for a further period.

Conversion intonominal stock of stock in certificate to bearer.

17. On delivery to the Registrar of a stock certificate to bearer issued under this Ordinance, and of all unpaid coupons belonging thereto, the Registrar shall enter the bearer in the register as proprietor of the stock described in the certificate, and thereupon that stock shall become transferable and the dividends thereon payable as if no stock certificate to bearer has been issued in respect of that stock.

18. A trustee shall not apply for or hold a stock certificate to bearer issued under this Ordinance unless expressly authorized to do so by the terms of his trust. But this provision shall not impose on the Registrar an obligation to inquire whether a person applying for a stock certificate to bearer is or is not a trustee, or subject the Registrar to any liability in the event of his issuing a stock certificate to bearer to a trustee or invalidate any stock certificate to bearer issued.

Trustees not to apply for stock certificate to bearer.

19. If any stock certificate to bearer issued under this Ordinance is lost, mislaid, or destroyed, the Registrar shall, on such indemnity being given as he may reasonably require, and on payment of the expense of the issue, issue a fresh stock certificate to bearer in the place of the certificate so lost, mislaid, or destroyed.

Loss of stock certificate to bearer.

20. Stock described in a stock certificate to bearer issued under this Ordinance shall, save as relates to the mode of transfer and payment of dividends, be subject to the same incidents in all respects as if it had continued to be transferable in the register.

Stock in certificate to bearer to have incidents of other stock, except as to transfers. Ac.

21. The Deputy Secretary to the Treasury shall be the Registrar under this Ordinance, and shall keep a register at his office in which all the rupee stock shall be inscribed at the time of issue in the names of the stockholders, and he may as such Registrar, before the inscription of any stock, with the consent and approval of the Minister in charge of the subject of Finance, make with respect to the transfer and management of such stock regulations not inconsistent with the provisions of this Ordinance. It shall be lawful in and by such regulations to prescribe fees to be paid on such transfer or otherwise.

Registry of stock.

A printed copy of the documents containing the authority for and conditions of the issue of stock to which this Ordinance applies, and of all regulations with respect to the transfer of such stock or otherwise, in relation to such stock, shall be entered in the register of the stock.

22. On the creation and issue to any person of any inscribed rupee stock under the provisions of this Ordinance, such

Certificates to stockholders.

person shall be entitled to a certificate, under the hand of the Registrar, of his title to such stock.

Register to be evidence.

23. The register kept in pursuance of this Ordinance shall on its mere production from the custody of the Registrar be evidence of all matters entered therein, and, as regards persons entered therein as proprietors of stock to which this Ordinance applies, of the title of those persons to the stock-

Notice of trust not receivable.

24. No notice of any trust in respect of any stock to which this Ordinance applies shall be entered in the register or receivable by the Registrar or by the Government of Sri Lanka.

Information to be given respecting register.

25. (1) The Registrar shall keep in a separate book a list of the stockholders on whose stock the dividends have been unclaimed for ten years, together with their registered addresses and description, and such list shall be open for inspection at the usual hours of transfer upon payment of such fee, not exceeding five rupees, as may be fixed by the regulations.

(2) The Registrar shall give within a reasonable time after application a certificate stating the following particulars in relation to any stock of which he is Registrar, or any part of such stock, or such of those particulars as may be required by the applicant, namely—

- (a) the total amount issued and the total inscribed in the register; and
- (b) the total number of the persons in whose names the stock or part is originally inscribed, or, after the register of such stock or part has been once closed as regards transfers, the total number of the stockholders at the last preceding date at which the transfer books were closed; and
- (c) the total number of each class of persons in whose names the stock or part is originally inscribed, or, after the register of the stock or part has been once closed as regards transfers, of each class of

stockholders at the last preceding date at which the transfer books were closed, the classification being according to the amount held, omitting fractions of two thousand rupees; and

- (d) a copy or extract certified by the Registrar or by some officer appointed for the purpose to be a true copy or extract of any conditions or regulations required by this Ordinance to be entered in the register:

Provided that the Registrar shall not be required to give any such certificate in relation to any stock issued under the provisions of this Ordinance, or part of such stock, until after the expiration of one month after the stock or part of the stock to which the certificate relates has been inscribed.

(3) Within a reasonable time after the application of any person who is a stockholder of any stock to which this Ordinance applies the Registrar shall give him a list of the registered names and addresses of the stockholders of such stock at the last preceding date at which the register was closed as regards transfers-

(4) The Registrar, before giving a certificate or list under this section, may require payment of such a fee not exceeding five rupees and a further sum of fifty cents for every folio of one hundred and twenty words, or in the case of a list of names and addresses of ten cents for each name and address, as the Registrar may from time to time fix.

(5) Any certificate or list given under this section shall be admissible in evidence.

MISCELLANEOUS

26. The Registrar shall from time to time under the directions of the Minister in charge of the subject of Finance make arrangements for all or any of the following things:—

- (a) for inscribing rupee stock in his books;

Creation, inscription, issue, conversion, and transfer of inscribed rupee stock.

- (b) for managing the creation, inscription, and issue of inscribed rupee stock;
- (c) for paying interest on inscribed rupee stock and managing transfers thereof;
- (d) for issuing inscribed stock certificates to bearer and, as often as occasion shall require, reissuing or reinscribing rupee stock and reissuing inscribed stock certificates.

demand or endeavour to have any such share or interest transferred, or to receive any dividend or money payable in respect thereof, by virtue of any such forged or altered power of attorney or other authority, knowing the same to be forged or altered, with intent in any of the cases aforesaid to defraud; or who shall

- (b) falsely and deceitfully personate any Personation.
owner of any share or interest of or in any stock to which this Ordinance applies, or any owner of any dividend or money payable in respect of any such share or interest as aforesaid belonging to any such owner, and shall thereby transfer or endeavour to transfer any share or interest of or in any such stock belonging to any such owner, or thereby receive or endeavour to receive any money due to any such owner as if such offender were the true and lawful owner; or who shall

GENERAL PROVISIONS

Exemption from stamp duties.

27. All documents whatsoever made or used under the provisions of this Ordinance shall be free from stamp duty, anything in any other enactment to the contrary notwithstanding.

Persons making false declarations how punishable.

28. If any person shall make and subscribe any declaration required to be made on the doing of any act, matter, or thing, or for verifying any statement whatsoever required to be done or made, or for use for any purpose, under the provisions of this Ordinance, and shall wilfully make therein any false statement as to any material particular, the person making the same shall be guilty of an offence, and being convicted thereof shall be liable at the discretion of the court to simple or rigorous imprisonment for any term not exceeding three years.

- (c) forge any name, handwriting, or signature purporting to be the name, handwriting, or signature of a witness attesting any transfer of any stock to which this Ordinance applies, or attesting the execution of any power of attorney, or other authority, to transfer any share or interest of or in any such stock, or to receive any dividend or money payable in respect of any such share or interest, or shall offer, utter, dispose of, or put off any such power of attorney, or other authority with any such forged name, handwriting, or signature thereon knowing the same to be forged ; or who shall

Forgery of witness's signature, &c.

Frauds and forgery.

29. Whosoever shall—

Forgery of transfer, &c.

- (a) forge or alter, or shall offer, utter, dispose of, or put off, knowing the same to be forged or altered, any transfer of any share or interest of or in any stock to which this Ordinance applies, or which may be transferable under this Ordinance, or shall forge or alter, or shall offer, utter, dispose of, or put off, knowing the same to be forged or altered, any power of attorney or other authority to transfer any share or interest in any such stock, or to receive any dividend or money payable for or in respect of any such share or interest, or who shall

- (d) wilfully make any false entry in, or wilfully alter any word or figure in, any register or certificate of or relating to any stock to which this Ordinance applies, or shall wilfully make any transfer of any share or interest of or in any such stock in the name of any person not being

False entries in register, &c

the true and lawful owner of such share or interest, with intent to defraud,

shall be guilty of an offence, and being convicted thereof shall be liable at the discretion of the court to simple or rigorous imprisonment for any term not exceeding five years.

30. All offences under this Ordinance are hereby declared to be cognizable and bailable within the meaning of those terms as defined in section 2 of the Code of Criminal Procedure Act, and shall be triable by the Magistrates' Court, which is hereby authorized to inflict the penalties hereinbefore provided, anything in section 14 of the said Act to the contrary notwithstanding.

Offences to be cognizable and bailable and triable by Magistrates' Courts.