

**CAP. 193.**

**CYPRUS**

**TRUSTEES**

**CHAPTER 193 OF THE LAWS**

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1959

## CHAPTER 193.

## TRUSTEES.

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A LAW TO MAKE PROVISION FOR THE LAW RELATING TO  
TRUSTEES.

[1st October, 1955.] 46 of 55.

1. This Law may be cited as the Trustee Law. Short title.

PART I.

PRELIMINARY.

2. (1) This Law, except where otherwise expressly provided, applies to trusts including, so far as this Law

Application  
of Law.

applies thereto, executorships and administratorships constituted or created either before or after the commencement of this Law.

(2) The powers conferred by this Law on trustess are in addition to the powers conferred by the instrument, if any, creating the trust, but those powers, unless otherwise stated, apply if and so far only as a contrary intention is not expressed in the instrument, if any, creating the trust, and have effect subject to the terms of that instrument.

(3) This Law does not affect the legality or validity of anything done before the commencement of this Law, except as otherwise expressly provided.

**Interpre-  
tation.**

3. In this Law, unless the context otherwise requires: —

“authorised investments” means investments authorised by the instrument, if any, creating the trust for the investment of money subject to the trust, or by this Law;

“contingent right” as applied to immovable property, includes a contingent or executory interest, a possibility coupled with an interest, whether the object of the gift or limitation of the interest or possibility is or is not ascertained, also a right of entry, whether immediate or future and whether vested or contingent;

“Court” means a District Court of competent jurisdiction of the District in which the trust property is situate;

“immovable property” includes—

- (a) land;
- (b) buildings and other erections, structures or fixtures affixed to any land or to any building or other erection or structure;
- (c) trees, vines and any other thing whatsoever planted or growing upon any land and any produce thereof before severance;
- (d) springs, wells, water and water rights whether held together with, or independently of, any land;
- (e) privileges, liberties, easements and any other rights and advantages whatsoever appertaining or reputed to appertain to any land or to any building or other erection or structure;

(f) an undivided share in any property hereinbefore set out.

"instrument" includes a Law;

"mentally disordered person" means any person found by due course of law to be of unsound mind and incapable of managing his affairs.;

"minor" means a person who has not attained the age of eighteen years of age;

"movable property" means any property of every description which is not immovable property;

"pay" and "payment" as applied in relation to stocks and securities and in connection with the expression "into Court," include the deposit or transfer of the same in or into Court;

"person of unsound mind" means any person, not a minor who, not having been found to be a mentally disordered person, is incapable from infirmity of mind of managing his own affairs;

"personal representative" means the executor, original or by representation, or administrator for the time being of a deceased person;

"possession" includes receipt of rents and profits or the right to receive the same, if any; "income" includes rents and profits; and "possessed" applies to receipt of income of and to any vested interest less than a life interest in possession or in expectancy in any immovable property;

"property" includes movable and immovable property, and any interest in any property, movable or immovable, and any debt, and any thing in action, and any other right or interest, whether in possession or not;

"rights" includes interests;

"sale" includes an exchange;

"securities" includes stocks, funds and shares; and "securities payable to bearer" includes securities transferable by delivery or by delivery and endorsement;

"stock" includes fully paid up shares and, so far as relates to vesting orders made by the Court under this Law, includes any fund, annuity, or security transferable in books kept by any corporation, company, association, or society, or by instrument of transfer, either alone or accompanied by other formalities, and any share or interest therein;

"transfer," in relation to any property as applied to any person, includes the execution by that person of every instrument or document required by any Law to effect and complete the title in the property concerned;

"trust" does not include the duties of chargee, but with this exception the expressions "trust" and "trustee" extend to implied and constructive trusts, and to cases where the trustee has a beneficial interest in the trust property, and to the duties incidental to the office of a personal representative, and "trustee," where the context admits, includes a personal representative, and "new trustee" includes an additional trustee;

Cap. 191.

"trust corporation" means an Official Trustee appointed under the Official Trustees Law, or a corporation appointed by the Court in any particular case to be a trustee, or registered as a trust company under the Companies Law.

Cap. 113.

"trust for sale", in relation to immovable property, means an immediate binding trust for sale, whether or not exercisable at the request or with the consent of any person, and with or without power at discretion to postpone the sale; "trustees for sale" means the persons (including a personal representative) holding immovable property on trust for sale.

## PART II.

### INVESTMENTS.

Authorised  
investments.

4. A trustee may invest any trust funds in his hands, whether at the time in a state of investment or not, in manner following—

- (a) in any securities in which trustees in England are for the time being authorised by the law of England to invest trust funds ;
- (b) in any securities the interest on which is guaranteed by Government ;
- (c) in any debentures, bonds, stocks or securities issued under the authority of any Law or in respect of any loan raised by Government ;
- (d) in any debentures, bonds, stocks or securities of any public body or local authority in the Colony the revenues whereof are under the control of the Government ;

- (e) on the security of a charge on immovable property, unless expressly prohibited by the instrument creating the trust :

Provided that such property shall be situate within the limits of a municipal corporation and the sum to be invested is not more than two-thirds of the value of such property ;

For the purposes of this paragraph " value " has the same meaning as in section 2 of the Immovable Property (Tenure, Registration and Valuation) Law, Cap. 224.

and may also from time to time vary any such investment as aforesaid.

5. Every power conferred by section 4 shall be exercised according to the discretion of the trustee, but subject to any consent or direction, with respect to the investment of the trust funds, required by the instrument, if any, creating the trust or by any Law. Discretion of trustees.

6. A trustee shall not be liable for breach of trust by reason only of his continuing to hold an investment which has ceased to be an investment authorised by the trust instrument or by this Law. Power to retain investment which has ceased to be authorised.

7. (1) A trustee may, unless expressly prohibited by the instrument creating the trust, retain or invest in securities payable to bearer which, if not so payable, would have been authorised investments. Investment in bearer securities.

(2) Securities payable to bearer retained or taken as an investment by a trustee shall, until sold, be deposited by him for safe custody and collection of income with a banker or banking company.

(3) A direction that investments shall be retained or made in the name of a trustee shall not, for the purposes of this section, be deemed to be such an express prohibition as aforesaid.

(4) A trustee shall not be responsible for any loss incurred by reason of such deposit, and any sum payable in respect of such deposit and collection shall be paid out of the income of the trust property.

Loans and investments by trustees not chargeable as breaches of trust.

8. (1) A trustee lending money on the security of any property on which he can properly lend shall not be chargeable with breach of trust by reason only of the proportion borne by the amount of the loan to the value of the property at the time when the loan was made, if it appears to the Court—

- (a) that in making the loan the trustee was acting upon a report as to the value of the property made by a person whom he reasonably believed to be an able practical surveyor or an able practical valuer instructed and employed independently of any owner of the property, whether such surveyor or valuer carried on business in the locality where the property is situate or elsewhere ; and
- (b) that the amount of the loan does not exceed two third parts of the value of the property as stated in the report ; and
- (c) that the loan was made under the advice of the surveyor or valuer expressed in the report.

(2) A trustee shall not be chargeable with breach of trust only upon the ground that in effecting the purchase, or in lending money upon the security, of any property he has accepted a shorter title than the title which a purchaser is, in the absence of a special contract, entitled to require, if in the opinion of the Court the title accepted be such as a person acting with prudence and caution would have accepted.

(3) This section applies to transfers of existing securities as well as to new securities and to investments made before as well as after the commencement of this Law.

Liability for loss by reason of improper investment.

9. (1) Where a trustee improperly advances trust money on the security of a charge which would at the time of the investment be a proper investment in all respects for a smaller sum than is actually advanced thereon, the security shall be deemed an authorised investment for the smaller sum, and the trustee shall only be liable to make good the sum advanced in excess thereof with interest.

(2) This section applies to investments made before as well as after the commencement of this Law.

Powers supplementary to powers of investment.

10. (1) Trustees lending money on the security of any property on which they can lawfully lend may contract that



such money shall not be called in during any period not exceeding five years from the time when the loan was made, provided interest be paid within a specified time not exceeding ten days after every monthly or other day on which it becomes due, and provided there be no breach of any covenant by the chargor contained in the instrument of charge for the maintenance and protection of the property.

(2) On a sale by trustees of immovable property the trustees may, where the proceeds are liable to be invested, contract that the payment of any part, not exceeding two-thirds, of the purchase money shall be secured by charge of the immovable property sold, with or without the security of any other property, but such charge, if any buildings are comprised therein, shall contain a covenant by the chargor to keep such buildings insured against loss or damage by fire to the full value thereof.

(3) The trustees shall not be bound to obtain any report as to the value of the immovable property or other property to be comprised in such charge, or any advice as to the making of the loan, and shall not be liable for any loss which may be incurred by reason only of the security being insufficient at the date of the charge.

(4) Where any securities of a company are subject to a trust, the trustees may concur in any scheme or arrangement—

- (a) for the reconstruction of the company ;
- (b) for the sale of all or any part of the property and undertaking of the company to another company ;
- (c) for the amalgamation of the company with another company ;
- (d) for the release, modification, or variation of any rights, privileges or liabilities attached to the securities or any of them,

in like manner as if they were entitled to such securities beneficially, with power to accept any securities of any denomination or description of the reconstructed or purchasing or new company in lieu of or in exchange for all or any of the first-mentioned securities ; and the trustees shall not be responsible for any loss occasioned by any act or thing so done in good faith, and may retain any securities so accepted as aforesaid for any period for which they could have properly retained the original securities.

(5) If any conditional or preferential right to subscribe for any securities in any company is offered to trustees in respect of any holding in such company, they may as to all or any of such securities, either exercise such right and apply capital money subject to the trust in payment of the consideration, or renounce such right, or assign for the best consideration that can be reasonably obtained the benefit of such right or the title thereto to any person, including any beneficiary under the trust, without being responsible for any loss occasioned by any act or thing so done by them in good faith :

Provided that the consideration for any such assignment shall be held as capital money of the trust.

(6) The powers conferred by this section shall be exercisable subject to the consent of any person whose consent to a change of investment is required by law or by the instrument, if any creating the trust.

(7) Where the loan referred to in subsection (1), or the sale referred to in subsection (2) is made under the order of the Court, the powers conferred by those subsections respectively shall apply only if and as far as the Court may by order direct.

Power to  
deposit at  
bank and to  
pay calls.

11. (1) Trustees may, pending the negotiation and preparation of any charge, or during any other time while an investment is being sought for, pay any trust money into a bank to a deposit or other account and all interest, if any, payable in respect thereof shall be applied as income.

(2) Trustees may apply capital money subject to a trust in payment of the calls on any shares subject to the same trust.

### PART III.

#### GENERAL POWERS OF TRUSTEES AND PERSONAL REPRESENTATIVES.

##### *General Powers.*

Power of  
trustees for  
sale to sell  
by auction,  
etc.

12. (1) Where a trust for sale or a power of sale of property is vested in a trustee, he may sell or concur with any other person in selling all or any part of the property, either subject to prior charges or not, and either together or in lots, by public auction or by private contract, subject to any such conditions respecting title or evidence of title or

other matter as the trustee thinks fit, with power to vary any contract for sale, or to rescind any contract for sale and to resell, without being answerable for any loss.

(2) A trust or power to sell or dispose of immovable property includes a trust or power to sell or dispose of part thereof, whether the division is horizontal, vertical, or made in any other way.

13. (1) No sale made by a trustee shall be impeached by any beneficiary upon the ground that any of the conditions subject to which the sale was made may have been unnecessarily depreciatory, unless it also appears that the consideration for the sale was thereby rendered inadequate.

Power to sell subject to depreciatory conditions.

(2) No sale made by a trustee shall, after transfer be impeached as against the purchaser upon the ground that any of the conditions subject to which the sale was made may have been unnecessarily depreciatory, unless it appears that the purchaser was acting in collusion with the trustee at the time when the contract for sale was made.

(3) No purchase, upon any sale made by a trustee, shall be at liberty to make any objection against the title upon any of the grounds aforesaid.

(4) This section applies to sales made before or after the commencement of this Law.

14. (1) The receipt in writing of a trustee for any money, securities, or other movable property or effects payable, transferable, or deliverable to him under any trust or power shall be a sufficient discharge to the person paying, transferring, or delivering the same and shall effectually exonerate him from seeing to the application or being answerable for any loss or misapplication thereof.

Power of trustees to give receipts.

(2) This section does not, except where the trustee is a trust corporation, enable a sole trustee to give a valid receipt for the proceeds of sale or other capital money arising under a trust for sale of immovable property.

(3) Notwithstanding anything to the contrary in a disposition on trust for sale of immovable property or in the settlement of the net proceeds, the proceeds of sale or other capital money arising under the disposition shall not be paid to or applied by the direction of fewer than two persons as trustees of the disposition, except where the trustee is a trust corporation, but this subsection does not

affect the right of a sole personal representative as such to give valid receipts for or direct the application of the proceeds of sale or other capital money aforesaid ; nor, except where capital money arises on a transaction, render it necessary to have more than one trustee.

(4) This section applies notwithstanding anything to the contrary in the instrument, if any, creating the trust.

Power to  
compound  
liabilities.

15. A personal representative, or two or more trustees acting together, or a sole acting trustee where by the instrument, if any, creating the trust, or by any Law, a sole trustee is authorised to execute the trusts and powers reposed in him, may, if and as he or they think fit—

- (a) accept any property, before the time at which it is made transferable or payable ; or
- (b) sever and apportion any blended trust funds or property ; or
- (c) pay or allow any debt or claim on any evidence that he or they think sufficient ; or
- (d) accept any composition or any security for any debt, or for any property, claimed ; or
- (e) allow any time for payment of any debt ; or
- (f) compromise, compound, abandon, submit to arbitration or otherwise settle any debt, account claim or thing whatever relating to the testator's or intestate's estate or to the trust,

and for any of those purposes may enter into, give, execute and do such agreements, instruments of composition or arrangement, releases, and other things as to him or them seem expedient, without being responsible for any loss occasioned by any act or thing so done by him or them in good faith.

Power to  
raise money  
by sale,  
charge, etc.

16. (1) Where trustees are authorised by the instrument, if any, creating the trust or by law to pay or apply capital money subject to the trust for any purpose or in any manner, they shall have and shall be deemed always to have had power to raise the money required by sale, conversion, calling in, or charge of all or any part of the trust property for the time being in possession.

(2) This section applies notwithstanding anything to the contrary contained in the instrument, if any, creating the trust, but does not apply to trustees of property held for charitable purposes.

17. No purchaser or chargee, paying or advancing money on a sale or charge purporting to be made under any trust or power vested in trustees, shall be concerned to see that such money is wanted, or that no more than is wanted is raised, or otherwise as to the application thereof.

Protection to purchasers and chargees dealing with trustees.

18. (1) Where a power or trust is given to or imposed on two or more trustees jointly, the same may be exercised or performed by the survivors or survivor of them for the time being.

Devolution of powers or trust.

(2) Until the appointment of new trustees, the personal representatives or representative for the time being of a sole trustee, or, where there were two or more trustees, of the last surviving or continuing trustee, shall be capable of exercising or performing any power or trust which was given to, or capable of being exercised by, the sole or last surviving or continuing trustee, or other the trustees or trustee for the time being of the trust.

(3) In this section "personal representative" does not include an executor who has renounced or has not proved.

19. (1) A trustee may insure against loss or damage by fire any building or other insurable property to any amount, including the amount of any insurance already on foot, up to the full value of the building or property, and pay the premiums for such insurance out of the income thereof or out of the income of any other property subject to the same trusts without obtaining the consent of any person who may be entitled wholly or partly to such income.

Power to insure.

(2) This section does not apply to any building or property which a trustee is bound forthwith to transfer absolutely to any beneficiary upon being requested to do so.

20. (1) Money receivable by trustees or any beneficiary under a policy of insurance against the loss or damage of any property subject to a trust, whether by fire or otherwise, shall, where the policy has been kept up under any trust in that behalf or under any power, statutory or otherwise, or in performance of any covenant or of any obligation, statutory or otherwise, be capital money for the purpose of the trust.

Application of insurance money where policy kept up under any trust, power or obligation.

(2) If any such money is receivable by any person, other than the trustees of the trust, that person shall use his best endeavour to recover and receive the money, and shall pay

the net residue thereof after discharging any costs of recovering and receiving it, to the trustees of the trust, or if there are no trustees capable of giving a discharge therefor, into Court.

(3) Any such money—

(a) if it was receivable in respect of property held upon trust for sale, shall be held upon the trusts and subject to the powers and provisions applicable to money arising by a sale under such trust ;

(b) in any other case, shall be held upon trusts corresponding as nearly as may be with the trusts affecting the property in respect of which it was payable.

(4) Such money, or any part thereof, may also be applied by the trustees, or, if in Court, under the direction of the Court, in rebuilding, reinstating, replacing, or repairing the property lost or damaged, but any such application by the trustees shall be subject to the consent of any person whose consent is required by the instrument, if any, creating the trust to the investment of money subject to the trust.

(5) Nothing contained in this section prejudices or affects the right of any person to require any such money or any part thereof to be applied in rebuilding, reinstating, or repairing the property lost or damaged, or the right of any chargee, lessor, or lessee, whether under any Law or otherwise.

(6) This section applies to policies effected either before or after the commencement of this Law, but only to money received after such commencement.

Deposit of  
documents  
for safe  
custody.

21. Trustees may deposit any documents held by them, relating to the trust, or to the trust property, with any banker or banking company or any other company whose business includes the undertaking of the safe custody of documents, and any sum payable in respect of such deposit shall be paid out of the income of the trust property.

Reversion-  
ary  
interests,  
valuations  
and audit.

22. (1) Where trust property includes any share or interest in property not vested in the trustees, or the proceeds of the sale of any such property, or any other thing in action, the trustees on the same falling into possession, or becoming payable or transferable may—

(a) agree or ascertain the amount or value thereof or any part thereof in such manner as they may think fit ;

- (b) accept in or towards satisfaction thereof, at the market or current value, or upon any valuation or estimate of value which they may think fit, any authorised investment ;
- (c) allow any deductions for duties, costs, charges and expenses which they may think proper or reasonable ;
- (d) execute any release in respect of the premises so as effectually to discharge all accountable parties from all liability in respect of any matters coming within the scope of such release,

without being responsible in any such case for any loss occasioned by any act or thing so done by them in good faith.

(2) The trustees shall not be under any obligation and shall not be chargeable with any breach of trust by reason of any omission—

- (a) to apply for any stop or other like order upon any securities or other property out of or on which such share or interest or other thing in action as aforesaid is derived, payable or charged ; or
- (b) to take any proceedings on account of any act, default, or neglect on the part of the persons in whom such securities or other property or any of them or any part thereof are for the time being, or had at any time been, vested,

unless and until required in writing so to do by some person, or the guardian of some person, beneficially interested under the trust, and unless also due provision is made to their satisfaction for payment of the costs of any proceedings required to be taken :

Provided that nothing in this subsection shall relieve the trustess of the obligation to get in and obtain payment or transfer of such share or interest or other thing in action on the same falling into possession.

(3) Trustees may, for the purpose of giving effect to the trust, or any of the provisions of the instrument, if any, creating the trust or of any Law, from time to time (by duly qualified agents) ascertain and fix the value of any trust property in such manner as they think proper, and any valuation so made in good faith shall be binding upon all persons interested under the trust.

(4) Trustees may, in their absolute discretion, from time to time, but not more than once in every year unless the

nature of the trust or any special dealings with the trust property make a more frequent exercise of the right reasonable, cause the accounts of the trust property to be examined or audited by an independent accountant, and shall, for that purpose, produce such vouchers and give such information to him as he may require, and the costs of such examination or audit, including the fee of the auditor, shall be paid out of the capital or income of the trust property, or partly in one way and partly in the other as the trustees, in their absolute discretion, think fit, but, in default of any direction by the trustees to the contrary in any special case, costs attributable to capital shall be borne by capital and those attributable to income by income.

Power to  
employ  
agents.

**23.** (1) Trustees or personal representatives may, instead of acting personally, employ and pay an agent, whether an advocate, banker, stockbroker or other person, to transact any business or do any act required to be transacted or done in the execution of the trust, or the administration of the testator's or intestate's estate, including the receipt and payment of money, and shall be entitled to be allowed and paid all charges and expenses so incurred, and shall not be responsible for the default of any such agent if employed in good faith.

(2) Trustees or personal representatives may appoint any person to act as their agent or attorney for the purpose of selling, converting, collecting, getting in, and executing and perfecting assurances of, or managing or cultivating, or otherwise administering any property, movable or immovable, subject to the trust or forming part of the testator's or intestate's estate, in any place outside the Colony or executing or exercising any discretion or trust or power vested in them in relation to any such property, with such ancillary powers, and with and subject to such provisions and restrictions as they may think fit, including a power to appoint substitutes, and shall not, by reason only of their having made such appointment, be responsible for any loss arising thereby.

(3) Without prejudice to such general power of appointing agents as aforesaid —

(a) a trustee may appoint an advocate to be his agent to receive and give a discharge for any money or valuable consideration or property receivable by the trustees **under** the trust, by permitting the advocate to have the custody of, and to



produce, and instrument having in the body thereof or endorsed thereon a receipt for such money or valuable consideration or property, the instrument being executed, or the endorsed receipt being signed, by the person entitled to give a receipt for that consideration ;

- (b) a trustee shall not be chargeable with breach of trust by reason only of his having made or concurred in making any such appointment ; and the production of any such instrument by the advocate shall have the same statutory validity and effect as if the person appointing the advocate had not been a trustee ;
- (c) a trustee may appoint a banker or advocate to be his agent to receive and give a discharge for any money payable to the trustee under or by virtue of a policy of insurance, by permitting the banker or advocate to have the custody of and to produce the policy of insurance with a receipt signed by the trustee, and a trustee shall not be chargeable with a breach of trust by reason only of his having made or concurred in making any such appointment :

Provided that nothing in this subsection shall exempt a trustee from any liability which he would have incurred if this Law and any Law replaced by this Law had not been passed, in case he permits any such money, valuable consideration, or property to remain in the hands or under the control of the banker or advocate for a period longer than is reasonably necessary to enable the banker or advocate, as the case may be, to pay or transfer the same to the trustee.

This subsection applies whether the money or valuable consideration or property was or is received before or after the commencement of this Law.

**24.** Where an undivided share in the proceeds of sale of immovable property directed to be sold, or in any other property, is subject to a trust, or forms part of the estate of a testator or intestate, the trustees or personal representatives may (without prejudice to the trust for sale affecting the entirety of the immovable property and the powers of the trustees for sale in reference thereto) execute or exercise any trust or power vested in them in relation to such share in conjunction with the persons entitled to or having power in

power to  
concur with  
others.

that behalf over the other share or shares, and notwithstanding that any one or more of the trustees or personal representatives may be entitled to or interested in any such other share, either in his or their own right or in a fiduciary capacity.

Power to  
delegate  
trusts during  
absence  
abroad.

25. (1) A trustee intending to remain out of the Colony for a period exceeding fourteen days may, notwithstanding any rule of law or equity to the contrary, by power of attorney, delegate to any person (including a trust corporation) the execution or exercise during his absence from the Colony of all or any trusts, powers and discretions vested in him as such trustee, either alone or jointly with any other person or persons :

Provided that a person being the only other co-trustee and not being a trust corporation shall not be appointed to be an attorney under this subsection.

(2) The donor of a power of attorney given under this section shall be liable for the acts or defaults of the donee in the same manner as if they were the acts or defaults of the donor.

(3) The power of attorney shall not come into operation unless and until the donor is out of the Colony and shall be revoked by his return or entry into the Colony.

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(4) The power of attorney shall be certified in the manner provided by the Certifying Officers Law, and a true copy thereof shall be deposited in the office of the Chief Registrar, with a sworn declaration by the donor that he intends to remain out of the Colony for a period exceeding fourteen days from the date of such declaration, or from a date therein mentioned.

(5) The declaration aforesaid and a sworn declaration by the donee of the power of attorney that the power has come into operation and has not been revoked by the return or entry into the Colony of the donor shall be conclusive evidence of the facts stated in favour of any person dealing with the donee.

(6) In favour of any person dealing with the donee, any act done or instrument executed by the donee shall, notwithstanding that the power has never come into operation or has become revoked by the act of the donor or by his death or otherwise, be as valid and effectual as if the donor were alive and of full capacity, and had himself done such act

or executed such instrument, unless such person had actual notice that the power had never come into operation or of the revocation of the power before such act was done or instrument executed.

(7) For the purpose of executing or exercising the trusts or powers delegated to him, the donee may exercise any of the powers conferred on the donor as trustee by law or by the instrument creating the trust, including power, for the purpose of the transfer of any inscribed stock, himself to delegate to an attorney power to transfer but not including the power of delegation conferred by this section.

(8) The fact that it appears from any power of attorney given under this section, or from any evidence required for the purposes of any such power of attorney or otherwise, that in dealing with any stock the donee of the power is acting in the execution of a trust shall not be deemed for any purpose to affect any person in whose books the stock is inscribed or registered with any notice of the trust.

(9) No power of attorney shall be operative for the purposes of this section for a longer period than three years after the date of execution.

#### *Indemnities.*

26. (1) Where a personal representative or trustee liable as such for—

- (a) any rent, covenant or agreement reserved by or contained in any lease ; or
- (b) any rent, covenant or agreement payable under or contained in any grant made in consideration of a rent charge ; or
- (c) any indemnity given in respect of any rent, covenant or agreement referred to in either of the foregoing paragraphs,

satisfies all liabilities under the lease or grant which may have accrued, and been claimed, up to the date of the transfer hereinafter mentioned, and, where necessary, sets apart a sufficient fund to answer any future claim that may be made in respect of any fixed and ascertained sum which the lessee or grantee agreed to lay out on the property demised or granted, although the period for laying out the same may not have arrived, then and in any such case the personal representative or trustee may convey the property

Protection  
against  
liability in  
respect of  
rents and  
covenants.

demised or granted to a purchaser, legatee, devisee or other person entitled to call for a transfer thereof and thereafter—

(i) he may distribute the residuary estate of the deceased testator or intestate, or, as the case may be, the trust estate (other than the fund, if any, set apart as aforesaid) to or amongst the persons entitled thereto, without appropriating any part, or any further part, as the case may be, of the estate of the deceased or of the trust estate to meet any future liability under the said lease or grant ;

(ii) notwithstanding such distribution, he shall not be personally liable in respect of any subsequent claim under the said lease or grant.

(2) This section operates without prejudice to the right of the lessor or grantor or the persons deriving a right under the lessor or grantor, to follow the assets of the deceased or the trust property into the hands of the persons amongst whom the same may have been respectively distributed, and applies notwithstanding anything to the contrary in the will or other instrument, if any, creating the trust.

(3) In this section—

“ grant ” applies to a grant whether the rent is created by limitation, grant, reservation, or otherwise, and includes an agreement for a grant and any instrument giving any such indemnity as aforesaid or varying the liabilities under the grant ;

“ lease ” includes an underlease and an agreement for a lease or underlease and any instrument giving any such indemnity as aforesaid or varying the liability under the lease ;

“ lessee ” and “ grantee ” include persons respectively deriving a right under them.

Protection  
by means  
of adver-  
tisement.

27. (1) With a view to the transfer to or distribution among the persons entitled to any movable or immovable property, the trustees or personal representatives may give notice by advertisement in the Gazette, and such other like notices, including notices elsewhere than in the Colony, as would, in any special case, have been directed by a Court of competent jurisdiction in an action for administration, of their intention to make such transfer or distribution as aforesaid, and requiring any person interested to send to

the trustees or personal representatives within the time, not being less than two months, fixed in the notice or, where more than one notice is given, in the last of the notices, particulars of his claim in respect of the property or any part thereof to which the notice relates.

(2) At the expiration of the time fixed by the notice the trustees or personal representatives may transfer or distribute the property or any part thereof to which the notice relates, to or among the persons entitled thereto, having regard only to the claims, whether formal or not, of which the trustees or personal representatives then had notice and shall not, as respects the property so transferred or distributed, be liable to any person of whose claim the trustees or personal representatives have not had notice at the time of transfer or distribution ; but nothing in this section—

- (a) prejudices the right of any person to follow the property, or any property representing the same, into the hands of any person, other than a purchaser, who may have received it ; or
- (b) frees the trustees or personal representatives from any obligation to make searches similar to those which an intending purchaser would be advised to make or obtain.

(3) This section applies notwithstanding anything to the contrary in the will or other instrument, if any, creating the trust.

28. A trustee or personal representative acting for the purposes of more than one trust or estate shall not, in the absence of fraud, be affected by notice of any instrument, matter, fact or thing in relation to any particular trust or estate if he has obtained notice thereof merely by reason of his acting or having acted for the purposes of another trust or estate.

Protection  
in regard  
to notice.

29. A trustee acting or paying money in good faith under or in pursuance of any power of attorney shall not be liable for any such act or payment by reason of the fact that at the time of the act or payment the person who gave the power of attorney was subject to any disability or bankrupt or dead, or had done or suffered some act or thing to avoid the

Exoneration  
of trustees  
in respect  
of certain  
powers of  
attorney.

power, if this fact was not known to the trustee at the time of his so acting or paying :

Provided that—

- (a) nothing in this section shall affect the right of any person entitled to the money against the person to whom the payment is made ;
- (b) the person so entitled shall have the same remedy against the person to whom the payment is made as he would have had against the trustee.

Implied  
indemnity  
of trustees.

30. (1) A trustee shall be chargeable only for money and securities actually received by him notwithstanding his signing any receipt for the sake of conformity, and shall be answerable and accountable only for his own acts, receipts, neglects, or defaults, and not for those of any other trustee, or of any banker, broker or other person with whom any trust money or securities may be deposited, nor for the insufficiency or deficiency of any securities, nor for any other loss, unless the same happens through his own wilful default.

(2) A trustee may reimburse himself or pay or discharge out of the trust premises all expenses incurred in or about the execution of the trusts or powers.

#### *Maintenance, Advancement and Protective Trusts.*

Power to  
apply in-  
come for  
mainten-  
ance and to  
accumulate  
surplus  
income  
during a  
minority.

31. (1) Where any property is held by trustees in trust for any person for any interest whatsoever, whether vested or contingent, then, subject to any prior interests or charges affecting that property—

- (a) during the minority of any such person, if his interest so long continues, the trustees may, at their sole discretion, pay to his parent or guardian, if any, or otherwise apply for or towards his maintenance, education or benefit, the whole or such part, if any, of the income of that property as may, in all the circumstances, be reasonable, whether or not there is—
  - (i) any other fund applicable to the same purpose ; or
  - (ii) any person bound by law to provide for his maintenance or education ; and
- (b) if such person on attaining the age of eighteen years has not a vested interest in such income, the

trustees shall thenceforth pay the income of that property and of any accretion thereto under subsection (2) to him, until he either attains a vested interest therein or dies, or until failure of his interest:

Provided that, in deciding whether the whole or any part of the income of the property is during a minority to be paid or applied for the purposes aforesaid, the trustees shall have regard to the age of the minor and his requirements and generally to the circumstances of the case, and in particular to what other income, if any, is applicable for the same purposes; and where trustees have notice that the income of more than one fund is applicable for those purposes, then, so far as practicable, unless the entire income of the funds is paid or applied as aforesaid or the Court otherwise directs, a proportionate part only of the income of each fund shall be so paid or applied.

(2) During the minority of any such person, if his interest so long continues, the trustees shall accumulate all the residue of that income in the way of compound interest by investing the same and the resulting income thereof from time to time in authorised investments, and shall hold those accumulations as follows—

(a) if any such person—

(i) attains the age of eighteen years, or marries under that age, and his interest in such income during his minority or until his marriage is a vested interest; or

(ii) on attaining the age of eighteen years or on marriage under that age becomes entitled to the property from which such income arose; the trustees shall hold the accumulations in trust for such person absolutely, and so that the receipt of such person after marriage, and though still a minor, shall be a good discharge; and

(b) in any other case the trustees shall, notwithstanding that such person had a vested interest in such income, hold the accumulations as an accretion to the capital of the property from which such accumulations arose, and as one fund with such capital for all purposes,

but the trustees may, at any time during the minority of such person if his interest so long continues, apply those accumulations, or any part thereof, as if they were income arising in the then current year.

(3) This section applies in the case of a contingent interest only if the limitation or trust carries the intermediate income of the property, but it applies to a future or contingent legacy by the parent of, or a person standing *in loco parentis* to, the legatee, if and for such period as, under the general law, the legacy carries interest for the maintenance of the legatee, and in any such case as last aforesaid the rate of interest shall (if the income available is sufficient, and subject to any rules of Court to the contrary) be five pounds per centum per annum.

(4) This section applies to a vested annuity in like manner as if the annuity were the income of property held by trustees in trust to pay the income thereof to the annuitant for the same period for which the annuity is payable, save that in any case accumulations made during the minority of the annuitant shall be held in trust for the annuitant or his personal representatives absolutely.

Power of  
advance-  
ment.

32. Trustees may at any time or times pay or apply any capital money subject to a trust, for the advancement or benefit in such manner as they may, in their absolute discretion, think fit, of any person entitled to the capital of the trust property or of any share thereof, whether absolutely or contingently on his attaining any specified age or on the occurrence of any other event, or subject to a gift over on his death under any specified age or on the occurrence of any other event, and such payment or application may be made notwithstanding that the interest of such person is liable to be defeated by the exercise of a power of appointment or revocation, or to be diminished by the increase of the class to which he belongs :

Provided that—

- (a) the money so paid or applied for the advancement or benefit of any person shall not exceed altogether in amount one-half of the presumptive or vested share or interest of that person in the trust property ; and
- (b) if that person is or becomes absolutely and indefeasibly entitled to a share in the trust property the money so paid or applied shall be brought into account as part of such share ; and
- (c) no such payment or application shall be made so as to prejudice any person entitled to any prior life or other interest, whether vested or contingent, in the money paid or applied unless such person



is in existence and of full age and consents in writing to such payment or application.

33. (1) Where any income, including an annuity or other periodical income payment, is directed to be held on protective trusts for the benefit of any person (in this section called "the principal beneficiary") for the period of his life or for any less period, then, during the period (in this section called the "trust period") the said income shall, without prejudice to any prior interest, be held on the following trusts, namely—

Protective trusts.

(a) upon trust for the principal beneficiary during the trust period or until he, whether before or after the termination of any prior interest, does or attempts to do or suffers any act or thing, or until any event happens, other than an advance under any statutory or express power, whereby, if the said income were payable during the trust period to the principal beneficiary absolutely during that period, he would be deprived of the right to receive the same or any part thereof, in any of which cases, as well as on the termination of the trust period, whichever first happens, this trust of the said income shall fail or determine ;

(b) if the trust aforesaid fails or determines during the subsistence of the trust period, then, during the residue of that period, the said income shall be held upon trust for the application thereof for the maintenance or support, or otherwise for the benefit, of all or any one or more exclusively of the other or others of the following persons (that is to say)—

(i) the principal beneficiary and his or her wife or husband, if any, and his or her children or more remote issue, if any ; or

(ii) if there is no wife or husband or issue of the principal beneficiary in existence, the principal beneficiary and the persons who would, if he were actually dead, be entitled to the trust property or the income thereof or to the annuity fund, if any, or arrears of the annuity, as the case may be,

as the trustees in their absolute discretion, without being liable to account for the exercise of such discretion, think fit.

(2) This section does not apply to trusts coming into operation before the date of the commencement of this Law and has effect subject to any variation of the implied trusts aforesaid contained in the instrument creating the trust.

(3) Nothing in this section operates to validate any trust which would, if contained in the instrument creating the trust, be liable to be set aside.

#### PART IV.

##### APPOINTMENT AND DISCHARGE OF TRUSTEES.

Limitation  
of the  
number of  
trustees.

**34.** (1) In the case of settlements and dispositions on trust of property, whether movable or immovable, made or coming into operation after the date of the commencement of this Law—

(a) the number of trustees thereof shall not in any case exceed four, and where more than four persons are named as such trustees, the four first named (who are able and willing to act) shall alone be the trustees, and the other persons named shall not be trustees unless appointed on the occurrence of a vacancy ;

(b) the number of the trustees shall not be increased beyond four.

(2) The restrictions hereby imposed on the number of trustees do not apply in the case of property vested in trustees for charitable, religious, or public purposes.

Power of  
appointing  
new or  
additional  
trustees.

**35.** (1) Where a trustee, either original or substituted, and whether appointed by a Court or otherwise, is dead, or remains out of the Colony for more than twelve months, or desires to be discharged from all or any of the trusts or powers reposed in or conferred on him, or refuses or is unfit to act therein, or is incapable of acting therein, or is a minor, then, subject to the restrictions imposed by this Law on the number of trustees—

(a) the person or persons nominated for the purpose of appointing new trustees by the instrument, if any, creating the trust ; or

(b) if there is no such person, or no such person able and willing to act, then the surviving or continuing trustees or trustee for the time being, or the

personal representatives of the last surviving or continuing trustee,

may, by writing, appoint one or more other persons (whether or not being the persons exercising the power) to be a trustee or trustees in the place of the trustee so deceased, remaining out of the Colony, desiring to be discharged, refusing, or being unfit or being incapable, or being a minor, as aforesaid.

(2) Where a trustee has been removed under a power contained in the instrument creating the trust, a new trustee or new trustees may be appointed in the place of the trustee who is removed, as if he were dead, or, in the case of a corporation, as if the corporation desired to be discharged from the trust, and the provisions of this section shall apply accordingly, but subject to the restrictions imposed by this Law on the number of trustees.

(3) Where a corporation being a trustee is or has been dissolved, either before or after the commencement of this Law, then, for the purposes of this section and of any other Law replaced thereby, the corporation shall be deemed to be and to have been from the date of the dissolution incapable of acting in the trusts or powers reposed in or conferred on the corporation.

(4) The power of appointment given by subsection (1) of this section or any similar previous Law to the personal representatives of a last surviving or continuing trustee shall be and shall be deemed always to have been exercisable by the executors for the time being (whether original or by representation) of such surviving or continuing trustee who have proved the will of their testator or by the administrators for the time being of such trustee without the concurrence of any executor who has renounced or has not proved.

(5) But a sole or last surviving executor intending to renounce, or all the executors where they all intend to renounce, shall have and shall be deemed always to have had power, at any time, before renouncing probate, to exercise the power of appointment given by this section, or by any similar previous enactment, if willing to act for that purpose and without thereby accepting the office of executor.

(6) Where a sole trustee, other than a trust corporation is or has been originally appointed to act in a trust, or

where, in the case of any trust, there are not more than three trustees (none of them being a trust corporation) either original or substituted and whether appointed by the Court or otherwise, then and in any such case—

- (a) the person or persons nominated for the purpose of appointing new trustees by the instrument, if any, creating the trust ; or
- (b) if there is no such person, or no such person able and willing to act, then the trustee or trustees for the time being,

may, by writing, appoint another person or other persons to be an additional trustee or additional trustees, but it shall not be obligatory to appoint any additional trustee, unless the instrument, if any, creating the trust, or any Law provides to the contrary, nor shall the number of trustees be increased beyond four by virtue of any such appointment.

(7) Every new trustee appointed under this section, as well before as after all the trust property becomes by law, or by assurance, or otherwise, vested in him, shall have the same powers, authorities, and discretions, and may in all respects act as if he had been originally appointed a trustee by the instrument, if any, creating the trust.

(8) The provisions of this section relating to a trustee who is dead include the case of a person nominated trustee in a will but dying before the testator, and those relative to a continuing trustee include a refusing or retiring trustee, if willing to act in the execution of the provisions of this section.

(9) Where a person who is mentally disordered or of unsound mind, being a trustee, is also entitled in possession to some beneficial interest in the trust property, no appointment of a new trustee in his place shall be made by the continuing trustees or trustee, under this section, unless leave has been given by the Court to make the appointment.

Supple-  
mental  
provisions as  
to  
appointment  
of trustees.

**36.** (1) On the appointment of a trustee for the whole or any part of trust property—

- (a) the number of trustees may, subject to the restrictions imposed by this Law on the number of trustees, be increased ; and
- (b) a separate set of trustees, not exceeding four, may be appointed for any part of the trust property held on trusts distinct from those relating to any other part or parts of the trust property,

notwithstanding that no new trustees or trustee are or is to be appointed for other parts of the trust property, and any existing trustee may be appointed or remain one of such separate set of trustees, or if only one trustee was originally appointed, then, save as hereinafter provided, one separate trustee may be appointed ; and

(c) it shall not be obligatory, save as hereinafter provided, to appoint more than one new trustee where only one trustee was originally appointed, or to fill up the original number of trustees where more than two trustees were originally appointed, but, except where only one trustee was originally appointed, and a sole trustee when appointed will be able to give valid receipts for all capital money, a trustee shall not be discharged from his trust unless there will be either a trust corporation or at least two individuals to act as trustees to perform the trust ; and

(d) any assurance or thing requisite for vesting the trust property, or any part thereof, in a sole trustee, or jointly in the persons who are the trustees, shall be executed or done.

(2) Nothing in this Law shall authorise the appointment of a sole trustee, not being a trust corporation, where the trustee, when appointed, would not be able to give valid receipts for all capital money arising under the trust.

37. (1) A statement contained in any instrument coming into operation after the commencement of this Law by which a new trustee is appointed for any purpose connected with immovable property to the effect that a trustee has remained out of the Colony for more than twelve months or refuses or is unfit to act, or is incapable of acting, or that he is not entitled to a beneficial interest in the trust property in possession, shall, in favour of a purchaser of the property, be conclusive evidence of the matter stated.

Evidence as to a vacancy in a trust.

(2) In favour of such purchaser any appointment of a new trustee depending on that statement, and any vesting declaration, express or implied, consequent on the appointment, shall be valid.

38. (1) Where a trustee is desirous of being discharged from the trust, and after his discharge there will be either a trust corporation or at least two individuals to act as

Retirement of trustee without a new appointment.

trustees to perform the trust, then, if such trustee as aforesaid declares in writing that he is desirous of being discharged from the trust, and if his co-trustees and such other person, if any, as is empowered to appoint trustees, consent in writing to the discharge of the trustee, and to the vesting in the co-trustees alone of the trust property, the trustee desirous of being discharged shall be deemed to have retired from the trust and shall, by the instrument, be discharged therefrom under this Law, without any new trustee being appointed in his place.

(2) Any assurance or thing requisite for vesting the trust property in the continuing trustees alone shall be executed or done.

Vesting of  
trust  
property in  
new or  
continuing  
trustees.

39. (1) Where by an instrument a new trustee is appointed to perform any trust, then—

(a) if the instrument contains a declaration by the appointor to the effect that any interest in any movable property or immovable property in the Colony, subject to the trust, or the right to recover or receive any debt or other thing in action so subject, shall vest in the persons who by virtue of the instrument become or are the trustees for performing the trust, that declaration shall operate, without any transfer or assignment, to vest in those persons as joint owners and for the purposes of the trust the interest or right to which the declaration relates ; and

(b) if the instrument is made after the commencement of this Law, and does not contain such a declaration, the instrument shall, subject to any express provision to the contrary therein contained, operate as if it had contained such a declaration by the appointor extending to all the interests and rights with respect to which a declaration could have been made.

(2) Where by an instrument a retiring trustee is discharged under the statutory power without a new trustee being appointed, then—

(a) if the instrument contains such a declaration as aforesaid by the retiring and continuing trustees, and by the other person, if any, empowered to appoint trustees, that declaration shall, without

any transfer or assignment, operate to vest in the continuing trustees alone, as joint owners, and for the purposes of the trust, the interest or right to which the declaration relates; and

- (b) if the instrument is made after the commencement of this Law, and does not contain such a declaration, the instrument shall, subject to any express provision to the contrary therein contained, operate as if it had contained such a declaration by such persons as aforesaid extending to all the interests and rights with respect to which a declaration could have been made.

(3) An express vesting declaration, whether made before or after the commencement of this Law, shall, notwithstanding that the interest or right to be vested is not expressly referred to, and provided that the other statutory requirements were or are complied with, operate and be deemed always to have operated (but without prejudice to any express provision to the contrary contained in the instrument of appointment or discharge) to vest in the persons respectively referred to in subsections (1) and (2), as the case may require, such interests and rights as are capable of being and ought to be vested in those persons.

(4) This section does not extend—

- (a) to any immovable property or any interest therein which is duly transferable in the manner provided by Land Transfer Amendment Law or any other Law amending or substituted for the same; Cap. 228.
- (b) to any share, stock, annuity or property which is only transferable in books kept by a company or other body, or in manner directed by or under any written law.

In this subsection "lease" includes an underlease and an agreement for a lease or underlease.

(5) This section applies to instruments executed after the first day of January, 1931.

## PART V.

## POWERS OF THE COURT.

*Appointment of new Trustees.*

Power of  
Court to  
appoint new  
trustees.

40. (1) The Court may, whenever it is expedient to appoint a new trustee or new trustees, and it is found inexpedient, difficult or impracticable so to do without the assistance of the Court, make an order appointing a new trustee or new trustees either in substitution for or in addition to any existing trustee or trustees, or although there is no existing trustee.

In particular and without prejudice to the generality of the foregoing provision, the Court may make an order appointing a new trustee in substitution for a trustee who is sentenced to a term of imprisonment or is mentally disordered or is a person of unsound mind or is a bankrupt or is a corporation which is in liquidation or has been dissolved.

(2) An order under this section, and any consequential vesting order or transfer, shall not operate further or otherwise as a discharge to any former or continuing trustee than an appointment of new trustees under any power for that purpose contained in any instrument would have operated.

(3) Nothing in this section gives power to appoint an executor or administrator.

Power to  
authorise  
remuner-  
ation.

41. The Court may allow any trustee, other than the Official Trustee, such remuneration for his services as trustee as the Court may think fit.

Powers of  
new trustee  
appointed  
by the  
Court.

42. Every trustee appointed by a Court of competent jurisdiction shall, as well before as after the trust property becomes by law, or by assurance, or otherwise, vested in him, have the same powers, authorities, and discretions, and may in all respects act as if he had been originally appointed a trustee by the instrument, if any, creating the trust.

*Vesting Orders.*

Vesting  
orders of  
immovable  
property.

43. In any of the following cases, namely—

- (a) where the Court appoints or has appointed a trustee, or where a trustee has been appointed



out of Court under any statutory or express power;

- (b) where a trustee entitled to or possessed of any immovable property or interest therein, whether by way of charge or otherwise—
  - (i) is under disability; or
  - (ii) is out of the jurisdiction of the Court; or
  - (iii) cannot be found, or being a corporation, has been dissolved;
- (c) where it is uncertain who was the survivor of two or more trustees jointly entitled to or possessed of any interest in immovable property;
- (d) where it is uncertain whether the last trustee known to have been entitled to or possessed of any interest in immovable property is living or dead;
- (e) where there is no personal representative of a deceased trustee who was entitled to or possessed of any interest in immovable property, or where it is uncertain who is the personal representative of a deceased trustee who was entitled to or possessed of any interest in immovable property;
- (f) where there is no personal representative of a deceased chargee who was entitled to or possessed of any interest in immovable property, or where it is uncertain who is the personal representative of a deceased chargee who was entitled to or possessed of any interest in immovable property, or where it is uncertain whether any chargee entitled to or possessed of any interest in immovable property is living or dead, or where any chargee entitled to or possessed of any interest in immovable property is out of the jurisdiction of the Court or cannot be found or, being a corporation, has been dissolved;
- (g) where a trustee jointly or solely entitled to or possessed of any interest in immovable property, or entitled to a contingent right therein, has been required, by or on behalf of a person entitled to require a transfer of the immovable property or interest or a release of the right, to transfer the immovable property or interest or to release the right, and has wilfully refused or neglected to transfer the immovable property or interest or release the right for twenty-eight days after the date of the requirement;

- (h) where immovable property or any interest therein is vested in a trustee whether by way of charge or otherwise, and it appears to the Court to be expedient,

the Court may make an order (in this Law called a vesting order) vesting the immovable property or interest therein in any such person in any such manner and for any such interest as the Court may direct, to such person as the Court may direct:

Provided that—

- (a) where the order is consequential on the appointment of a trustee the immovable property or interest therein shall be vested for such interest as the Court may direct in the persons who on the appointment are the trustees; and
- (b) where the order relates to a trustee entitled or formerly entitled jointly with another person, and such trustee is under disability or out of the jurisdiction of the Court or cannot be found, or being a corporation has been dissolved, the immovable property, interest or right shall be vested in such other person who remains entitled, either alone or with any other person the Court may appoint.

Orders as to  
contingent  
rights of  
unborn  
persons.

44. Where any interest in immovable property is subject to a contingent right in an unborn person or class of unborn persons who, on coming into existence would, in respect thereof, become entitled to or possessed of that interest on any trust, the Court may make an order releasing the immovable property or interest therein from the contingent right, or may make an order vesting in any person the interest to or of which the unborn person or class of unborn persons would, on coming into existence, be entitled or possessed in the land.

Vesting  
order in  
place of  
transfer  
by minor.

45. Where any person entitled to or possessed of any interest in immovable property, by way of security for money, is a minor, the Court may make an order vesting or releasing or disposing of the interest in the immovable property or the right in like manner as in the case of a trustee under disability.

Vesting  
order con-  
sequential  
on order  
for sale of  
immovable  
property.

46. Where any Court gives a judgment or makes an order directing the sale or charge of any immovable property, every person who is entitled to or possessed of

any interest in the immovable property, and is a party to the action or proceeding in which the judgment or order is given or made or is otherwise bound by the judgment or order, shall be deemed to be so entitled or possessed, as the case may be, as a trustee for the purposes of this Law, and the Court may, if it thinks expedient, make an order vesting the immovable property or any part thereof, for such interest as the Court thinks fit in the purchaser or chargee or in any other person.

47. Where a judgment is given for the specific performance of a contract concerning any interest in immovable property, or for sale or exchange of any interest in immovable property, or generally where any judgment is given for the transfer of any interest in immovable property either in cases arising out of the doctrine of election or otherwise, the Court may declare—

Vesting order consequential on judgment for specific performance, etc.

- (a) that any of the parties to the action are trustees of any interest in the immovable property or any part thereof within the meaning of this Law; or
- (b) that the interests of unborn persons who might claim under any party to the action, or under the will or voluntary settlement of any deceased person who was during his lifetime a party to the contract or transaction concerning which the judgment is given, are the interests of persons, who, on coming into existence, would be trustees within the meaning of this Law,

and thereupon the Court may make a vesting order relating to the rights of those persons, born and unborn, as if they had been trustees.

48. Subject to due compliance with the requirements of the laws relating to the registration of interests in immovable property a vesting order under any of the foregoing provisions shall, in the case of a vesting order consequential on the appointment of a trustee, have the same effect—

Effect of vesting order.

- (a) as if the persons who before the appointment were the trustees, if any, had duly transferred the immovable property for such interest as the Court directs; or
- (b) if there is no such person, or no such person of full capacity, as if such person had existed and been

of full capacity and had duly transferred the immovable property for such interest as the Court directs,

and shall in every other case have the same effect as if the trustee or other person or description or class of persons to whose rights or supposed rights the said provisions respectively relate had been an ascertained and existing person of full capacity, and had transferred to the effect intended by the order.

Power to  
appoint  
person to  
transfer

**49.** In all cases where a vesting order can be made under any of the foregoing provisions, the Court may, if it is more convenient, appoint a person to transfer the immovable property or any interest therein and a transfer by that person in conformity with the order shall have the same effect as an order under the appropriate provision.

Vesting  
orders as to  
stock and  
things in  
action.

**50.** (1) In any of the following cases, namely—

- (a) where the Court appoints or has appointed a trustee, or where a trustee has been appointed out of Court under any statutory or express power ;
- (b) where a trustee entitled alone or jointly with another person to stock or to a thing in action—
  - (i) is under disability ; or
  - (ii) is out of the jurisdiction of the Court ; or
  - (iii) cannot be found, or, being a corporation, has been dissolved ; or
  - (iv) neglects or refuses to transfer stock or receive the dividends or income thereof, or to sue for or recover a thing in action, according to the direction of the person absolutely entitled thereto for twenty-eight days next after a request in writing has been made to him by the person so entitled ; or
  - (v) neglects or refuses to transfer stock or receive the dividends or income thereof, or to sue for or recover a thing in action for twenty-eight days next after an order of the Court for that purpose has been served on him ;
- (c) where it is uncertain whether a trustee entitled alone or jointly with another person to stock or to a thing in action is alive or dead ;

(d) where stock is standing in the name of a deceased person whose personal representative is under disability ;

(e) where stock or a thing in action is vested in a trustee, whether by way of charge or otherwise, and it appears to the Court to be expedient,

the Court may make an order vesting the right to transfer or call for a transfer of stock or to receive the dividends or income thereof, or to sue for or recover the thing in action, in any such person as the Court may appoint :

Provided that—

(i) where the order is consequential on the appointment of a trustee, the right shall be vested in the persons who, on the appointment, are the trustees ; and

(ii) where the person whose right is dealt with by the order was entitled jointly with another person, the right shall be vested in that last-mentioned person either alone or jointly with any other person whom the Court may appoint.

(2) In all cases where a vesting order can be made under this section the Court may, if it is more convenient, appoint some proper person to make or join in making the transfer :

Provided that the person appointed to make or join in making a transfer of stock shall be some proper officer of the company whose stock is to be transferred.

(3) The person in whom the right to transfer or call for the transfer of any stock is vested by an order of the Court under this Law, may transfer the stock to himself or any other person, according to the order, and all companies shall obey every order under this section according to its tenor.

(4) After notice in writing of an order under this section it shall not be lawful for any company to transfer any stock to which the order relates or to pay any dividends thereon except in accordance with the order.

(5) The Court may make declarations and give directions concerning the manner in which the right to transfer any stock or thing in action vested under the provisions of this Law is to be exercised.

(6) The provisions of this Law as to vesting orders shall apply to shares in ships registered under any Law relating to merchant shipping as if they were stock.

Vesting  
orders of  
charity or  
society  
property.

51. The powers conferred by this Law as to vesting orders may be exercised for vesting any interest in immovable property, stock or thing in action in any trustee of a charity or society over which the Court would have jurisdiction upon action duly instituted, whether the appointment of the trustee was made by instrument under a power or by the Court under its general or statutory jurisdiction.

Vesting  
orders in  
relation to  
minor's  
beneficial  
interest.

52. Where a minor is beneficially entitled to any property, the Court may, with a view to the application of the capital or income thereof for the maintenance, education or benefit of the minor, make an order—

- (a) appointing a person to transfer such property ; or
- (b) in the case of stock, or a thing in action, vesting in any person the right to transfer or call for a transfer of such stock, or to receive the dividends or income thereof, or to sue for and recover such thing in action, upon such terms as the Court may think fit.

Orders made  
upon certain  
allegations  
to be  
conclusive  
evidence.

53. Where a vesting order is made as to any immovable property under this Law founded on an allegation of any of the following matters, namely—

- (a) the personal incapacity of a trustee or chargee ; or
- (b) that a trustee or chargee or the personal representative of or other person deriving title under a trustee or chargee is out of the jurisdiction of the Court or cannot be found, or being a corporation has been dissolved ; or
- (c) that it is uncertain which of two or more trustees, or which of two or more persons interested in a charge, was the survivor ; or
- (d) that it is uncertain whether the last trustee or the personal representative of or other person deriving title under a trustee or chargee, or the last surviving person interested in a charge, is living or dead ; or
- (e) that any trustee or chargee has died intestate without leaving a person beneficially interested under the intestacy or has died and it is not known who is his personal representative or the person interested,

the fact that the order has been so made shall be conclusive evidence of the matter so alleged in any Court upon any

question as to the validity of the order ; but this section does not prevent the Court from directing a retransfer or surrender or the payment of costs occasioned by any such order if improperly obtained.

*Jurisdiction to make other order.*

54. (1) Where in the management or administration of any property vested in trustees, any sale, lease, charge, surrender, release, or other disposition, or any purchase, investment, acquisition, expenditure, or other transactions, is in the opinion of the Court expedient, but the same cannot be effected by reason of the absence of any power for that purpose vested in the trustees by the trust instrument, if any, or by law, the Court may by order confer upon the trustees, either generally or in any particular instance, the necessary power for the purpose, on such terms, and subject to such provisions and conditions, if any, as the Court may think fit, and may direct in what manner any money authorised to be expended, and the cost of any transaction, are to be paid or borne as between capital and income.

Power of Court to authorise dealings with trust property.

(2) In amplification and not in derogation of the generality of the foregoing powers the Court may by order under subsection (1)—

(a) authorise the trustees to make any investments in or upon titles to immovable property which are not authorised by paragraph (e) of section 4 ;

(b) authorise any trustees who are chargees of immovable property to buy in any such immovable property at any auction of such immovable property held under an order of Court or under the provisions of the Sale of Mortgaged Property Law or in exercise of a power of sale vested in such trustees ;

Cap. 233.

(c) authorise the trustees to raise any funds for the improvement of immovable property which is vested in or belongs to the trust ;

(d) authorise the doing by the trustees of any act which appears to the Court to be beneficial to the trust estate or to the beneficiaries.

(3) The Court may, from time to time, rescind or vary any order under this section, or may make any new or further order.

(4) An application to the Court under this section may be made by the trustees, or by any of them, or by any person beneficially interested under the trust.

Persons  
entitled to  
apply for  
orders.

**55.** (1) An order under this Law for the appointment of a new trustee or concerning any interest in immovable property, stock, or thing in action subject to a trust may be made on the application of any person beneficially interested in the immovable property, stock, or thing in action, whether under disability or not, or on the application of any person duly appointed trustee thereof.

(2) An order under this Law concerning any interest in immovable property, stock, or thing in action subject to a charge may be made on the application of any person beneficially interested in the property charged, whether under disability or not, or of any person interested in the money secured by the charge.

Power to  
give judgment in  
absence of  
a trustee.

**56.** Where in any action the Court is satisfied that diligent search has been made for any person who, in the character of trustee, is made a defendant in any action, to serve him with a process of the Court, and that he cannot be found, the Court may hear and determine the action and give judgment therein against that person in his character of a trustee as if he had been duly served, or had entered an appearance in the action, and had also appeared by his advocate at the hearing, but without prejudice to any interest he may have in the matters in question in the action in any other character.

Power to  
charge costs  
on trust  
estate.

**57.** The Court may order the costs and expenses of and incident to any application for an order appointing a new trustee, or for a vesting order, or of and incident to any such order, or any transfer in pursuance thereof, to be raised and paid out of the property in respect whereof the same is made, or out of the income thereof, or to be borne and paid in such manner and by such persons as to the Court may seem just.

Power to  
relieve  
trustee from  
personal  
liability.

**58.** If it appears to the Court that a trustee, whether appointed by the Court or otherwise, is or may be personally liable for any breach of trust, whether the transaction alleged to be a breach of trust occurred before or after the commencement of this Law, but has acted honestly and reasonably and ought fairly to be excused for the breach of trust and for omitting to obtain the directions of the Court



in the matter in which he committed such breach, then the Court may relieve him either wholly or partly from personal liability for the same.

**59.** (1) Where a trustee commits a breach of trust at the instigation or request or with the consent in writing of a beneficiary, the Court may, if it thinks fit, make such order as to the Court seems just, for impounding all or any part of the interest of the beneficiary in the trust estate by way of indemnity to the trustee or persons claiming through him.

Power to make beneficiary indemnity for breach of trust.

(2) This section applies to breaches of trust committed as well as before as after the commencement of this Law.

*Payment into Court.*

**60.** (1) Trustees, or the majority of trustees, having in their hands or under their control money or securities belonging to a trust, may pay the same into Court ; and the same shall, subject to the law relating to civil procedure and to Rules of Court, be dealt with according to the orders of the Court.

Payment into Court by trustees.

(2) The receipt or certificate of the proper officer shall be a sufficient discharge to trustees for the money or securities so paid into Court.

(3) Where money or securities is or are vested in any persons as trustees, and the majority are desirous of paying the same into Court, but the concurrence of the other or others cannot be obtained, the Court may order the payment into Court to be made by the majority without the concurrence of the other or others.

(4) Where any such money or securities are deposited with any banker, broker, or other depositary, the Court may order payment or delivery of the money or securities to the majority of the trustees for the purpose of payment into Court.

(5) Every transfer, payment and delivery made in pursuance of any such order shall be valid and take effect as if the same had been made on the authority or by the act of all the persons entitled to the money and securities so transferred, paid, or delivered.

## PART VI.

## MISCELLANEOUS.

Trust  
estates not  
affected by  
trustee  
becoming a  
convict.  
Cap. 282.

61. Property vested in any person on any trust or by way of charge shall not, in case of that person becoming a convict within the meaning of the Convict's Property Law vest in any such administrator as may be appointed under that Law, but shall remain in the trustee or chargee, or pass to his co-trustee in right or survivorship or devolve on his personal representative as if he had not become a convict ;

Provided that this enactment shall not affect the title to the property so far as relates to any beneficial interest therein of any such trustee or chargee.

Indemnity.

62. This Law, and every order purporting to be made under this Law, shall be a complete indemnity to all persons for any acts done pursuant thereto, and it shall not be necessary for any person to inquire concerning the propriety of the order, or whether the Court by which the order was made had jurisdiction to make it.

Effect of  
order of  
Court  
under the  
Administra-  
tion of  
Estates  
Law.  
Cap. 189.

63. (1) A trustee, executor or administrator acting under any order or direction made or given by the Court under the provisions of the Administration of Estates Law, or any other Law amending or substituted for the same shall be deemed, so far as regards his own responsibility, to have discharged his duty as such trustee, executor or administrator in the subject-matter of the said application unless he has been guilty of fraud or wilful concealment or misrepresentation in connection with the obtaining of such order or direction.

(2) This section applies to trusts, executorships or administratorships created or constituted before or after the commencement of this Law.

Rules of  
Court.

64. The Governor may, with the assistance of the Chief Justice, make Rules of Court regulating the practice and procedure in respect of any proceedings under this Law.

Administra-  
tion of  
Estates  
Law  
unaffected.  
Cap. 189.

65. Nothing in this Law contained shall be deemed to affect the provisions of the Administration of Estates Law, or any Law amending or substituted for the same.

**CYPRUS**

**TRUSTEE INVESTMENT IN CYPRUS  
GOVERNMENT SECURITIES**

**CHAPTER 194 OF THE LAWS**

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## CHAPTER 194.

## TRUSTEE INVESTMENT.

## ARRANGEMENT OF SECTIONS.

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TO FACILITATE THE INVESTMENT OF TRUST AND OTHER  
FUNDS IN THE UNITED KINGDOM IN CYPRUS GOVERN-  
MENT SECURITIES.

1949  
Cap. 176.

[21st May, 1930.]

Whereas by an Act of the Imperial Parliament known as the Colonial Stock Act, 1900, the securities in which a trustee may invest under the powers of the Act of that Parliament known as the Trustee Act, 1893, are declared to include any Colonial Stock which is registered in the United Kingdom in accordance with the provisions of the Colonial Stock Acts, and with respect to which there have been observed such conditions (if any) as the Lords Commissioners of the Treasury of the United Kingdom may, by order notified in the London Gazette, prescribe ;

And whereas the said Lords Commissioners of the Treasury of the United Kingdom have, by an Order dated December 6th, 1900, prescribed as two of the said conditions that a Colony shall provide by legislation for the payment, out of the revenues of the Colony, of any sums which may become payable to stockholders under any judgment, decree, rule or order of a Court in the United Kingdom, and that the Colonial Government should place on record a formal expression of their opinion that any Colonial legislation which appears to the Imperial Government to alter any of the provisions affecting the stock to the injury of the stockholder, or to involve a departure from the original contract in regard to the stock would properly be disallowed ;

And whereas it is expedient that provision should be made

to enable advantage to be taken of the said Acts in respect of investment of Trust Funds in Cyprus Government securities.

Be it therefore enacted :—

1. This Law may be cited as the Trustee Investment in Cyprus Government Securities Law. Short title.

2. In this Law—

“Colonial Stock Acts” means the Acts of the Imperial Parliament known as the Colonial Stock Acts, 1877 to 1900. Interpretation.

3. This Law shall apply to all securities heretofore or hereafter created or issued on behalf of the Government of Cyprus to which for the time being the Colonial Stock Acts apply, and which are for the time being registered in the United Kingdom in accordance with the provisions of those Acts, each and all of which securities are hereinafter referred to as “Cyprus Government Securities.” Application of Law.

4. (1) Whenever by the final judgment, decree, rule or order of any Court of competent jurisdiction in the United Kingdom, any sum of money is adjudged or declared to be payable by the Government of Cyprus in respect of any Cyprus Government Securities, the Government shall forthwith pay that sum out of the funds in the hands of the Crown Agents belonging to the Government, without further appropriation than this Law. Provisions for payment of money due to stockholders.

(2) For the purposes of this section “final judgment, decree, rule or order” means in case of appeal the final judgment, decree, rule or order of the ultimate Court hearing the appeal.

5. In order to enable every such payment to be duly made, a certificate under the hands of the Crown Agents, specifying the sum so paid under order of any such Court, shall be sufficient authority to the Director of Audit or other officer having the auditing of their accounts for passing such sum without further appropriation. Certificate by Crown Agents.

6. If at any time hereafter a Law is passed which appears to the Imperial Government to alter any of the provisions affecting Cyprus Government securities to the injury of the holder thereof, or to involve a departure from the original contract in regard to those securities, that Law will properly be disallowed. Disallowance of Law affecting Cyprus Government securities to the injury of the holder.

