



# Ceylon Government Gazette

EXTRAORDINARY.

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## Part II.—Legal.

*Separate paging is given to each Part in order that it may be filed separately.*

### DRAFT ORDINANCE.

#### MINUTE.

The following Draft of a proposed Ordinance is published for general information :—

An Ordinance further to amend "The Enemy Property Ordinance, No. 23 of 1916."

Preamble.

WHEREAS it is expedient further to amend "The Enemy Property Ordinance, No. 23 of 1916" : Be it therefore enacted by the Governor of Ceylon, by and with the advice and consent of the Legislative Council thereof, as follows :

Short title.

1 This Ordinance may be cited as "The Enemy Property (Amendment) Ordinance, No. of 1917."

Addition of new section to principal Ordinance.

2 The following section shall be added to the principal Ordinance immediately after section 8 E added to the said Ordinance by section 3 of "The Enemy Property (Amendment) Ordinance, No. 5 of 1917" :

Obligation on company to register custodian or transferee in company's register.

8 F. (1) In the event of a vesting order under section 7 or under section 8 A being or having been made in respect of any shares or debentures of any limited company whose registered office is in Ceylon, the custodian shall be entitled to have his name entered in the company's register as the proprietor of the shares or debentures, and in the event of power being or having been granted to the custodian to sell such shares, any person to whom the custodian shall transfer or shall have transferred such shares shall be entitled to have his name similarly entered, whether the certificates of the shares or debenture bonds are or are not forthcoming.

anything in the company's memorandum or articles of association, or in the conditions to the said bonds to the contrary notwithstanding; and the company shall, if so required by the custodian, issue fresh certificates for the said shares or fresh bonds, and shall not by so doing incur any legal liability whatever with respect to the original certificates or bonds.

Sale by  
custodian to  
convey  
absolute title.

(2) All shares or debentures which shall be or shall have been so transferred by the custodian shall vest absolutely in the transferee, and no other person claiming any right, title, or interest in the said shares or debentures shall be entitled to pursue or enforce the said claim except against the proceeds of the sale of the said shares or debentures.

By His Excellency's command,

Colonial Secretary's Office,  
Colombo, November 15, 1917.

R. E. STUBBS,  
Colonial Secretary.

*Statement of Objects and Reasons.*

THIS Ordinance is necessary in order to enable the Custodian of Enemy Property to give full effect to certain vesting orders which have been made under "The Enemy Property Ordinance, No. 23 of 1916," with reference to certain shares and debentures of local companies which are held by or on behalf of enemies.

2. In certain cases companies have made difficulties as to carrying out the orders of the court or of the Governor in Executive Council, and although the existing law is probably sufficient to enable these orders to be enforced if necessary, it is desirable that the obligation upon the company to enter the name of the Custodian or his transferee in the share register should be stated in express terms.

3. A real difficulty has, however, been experienced in certain cases owing to the fact that the share certificate or the debenture bond is not forthcoming, being either absent in Germany or Australia, or deposited in some unknown place. It is quite possible that the holder of such a certificate or debenture bond might affect to transfer it to some neutral, and that the company might consequently incur some liability through registering a transfer made in pursuance of an order of the Supreme Court or of the Executive Council. In order to deal with this difficulty, it is proposed to relieve companies from any liability that they might otherwise incur through carrying out orders of this description, and to declare that any transfer by the Custodian shall convey an absolute title, the rights of persons claiming any interest, adversely to the purchaser, in the share or debenture sold being limited to the proceeds of the sale.

November 13, 1917.

ANTON BERTRAM,  
Attorney-General.