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THE CEYLON GOVERNMENT GAZETTE

EXTRAORDINARY

අංක 12,216 — 1960 ඔක්තෝබර් 21 වැනි සිකුරාදා — 21.10.1960

No. 12,216 — FRIDAY, OCTOBER 21, 1960

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PART I: SECTION (I)—GENERAL

Government Notifications

L. D.—B 172/36

THE REGISTERED STOCK AND SECURITIES ORDINANCE

BY virtue of the powers vested in me by Section 4 of the Registered Stock and Securities Ordinance (Chapter 289), as modified by the Proclamation published in *Gazette Extraordinary* No. 9,773 of September 24, 1947, I, Felix Reginald Dias Bandaranaike, Minister of Finance, do by this Order direct that, of the sum of one thousand million rupees for the raising of which by way of loan, authority has been given by the Ceylon Development Loans Act, No. 6 of 1954, as amended by the Ceylon Development Loans (Amendment) Act, No. 18 of 1959, the sum specified in the Schedule hereto shall be raised in Ceylon in the mode and upon the terms and conditions specified in that Schedule.

FELIX R. DIAS BANDARANAIKE,
Minister of Finance.

Colombo, October 20, 1960.

Schedule

1. The sum of money to be raised shall be sixty million rupees, and it shall be raised by way of—
 - (a) a 5-7 year loan issued at par; and
 - (b) a 21-25 year loan issued at par.
2. Each of the two loans shall be raised by the creation and issue of registered stock only.
3. The rate of interest payable shall—
 - (a) in the case of the 5-7 year loan, be 3 per centum per annum, and
 - (b) in the case of the 21-25 year loan, be 4½ per centum per annum.
4. The dates in each year, on which the half-yearly interest on each of the two loans shall be payable, shall be the first day of May and the first day of November.
5. A half-yearly appropriation out of the Consolidated Fund of Ceylon as a contribution to the Sinking Fund to be established for the purpose of redeeming each of the two loans shall—
 - (a) in the case of the 5-7 year loan, be made at the rate of 5 per centum per annum and such contribution shall commence on the first day of November, 1961, and
 - (b) in the case of the 21-25 year loan, be made at the rate of 3 per centum per annum and such contribution shall commence on the first day of November, 1961.
6. The date of redemption of the registered stock issued for the purpose of raising each of the two loans shall—
 - (a) in the case of the 5-7 year loan, be the first day of November, 1967, and
 - (b) in the case of the 21-25 year loan, be the first day of November, 1985.

Provided, however, that the Government shall have the option of redeeming at par the registered stock issued for the purpose of raising each of the two loans—

- (a) in the case of the 5-7 year loan, on such date subsequent to the thirty first day of October, 1965, and
 - (b) in the case of the 21-25 year loan, on such date subsequent to the thirty first day of October, 1981,
- as may be appointed by the Minister of Finance by notification published, not less than six months prior to that date, in the *Gazette* and in at least two Newspapers circulating in Ceylon.

PROSPECTUS

The Lists will be opened on November 1, 1960, and will be closed on December 1, 1960, or earlier if the loans are fully subscribed.

CEYLON GOVERNMENT LOANS

Issue of Rs. 60,000,000

3 per cent. Loan, 1965/67—Issued at par—Repayable at par

4½ per cent. Loan, 1981/85—Issued at par—Repayable at par

THE Central Bank of Ceylon, on behalf of the Government of Ceylon, invites applications for the following loans :—

- (a) 3 per cent. loan repayable at par on November 1, 1967, but the Government will have the option of repayment at par on such date subsequent to October 31, 1965, on giving six months' notice.
- (b) 4½ per cent. loan repayable at par on November 1, 1985, but the Government will have the option of repayment at par on such date subsequent to October 31, 1981, on giving six months' notice.

The allocation between the two loans will not be fixed, but the total amount to be subscribed will not exceed Rs. 60,000,000.

Authority.—The loan is raised on the authority of the Ceylon Development Loans Act, No. 6 of 1954, as amended by the Ceylon Development Loans (Amendment) Act, No. 18 of 1959, and under the provisions of the Registered Stock and Securities Ordinance, 1937 (Chapter 289).

Purpose.—The loans are raised by the Government of Ceylon for expenditure on any work connected with or incidental to the development of Ceylon.

Form of Issue.—The loans will be issued in the form of Registered Stock. (Leaflets containing the general conditions applicable to Registered Stock are available on application to the Department of Public Debt, Central Bank of Ceylon).

Issue Price.—The issue price is Rs. 100 per cent. payable in full at the time of application. The minimum holding is Rs. 100.

Applications.—Applications will be received by the Registrar, Department of Public Debt, Central Bank of Ceylon, Hemas Building, P. O. Box 1149, Colombo 1, from November 1, 1960, and until the lists are closed. Applications must be on the proper form and must be accompanied by a remittance in full. Depositors of the Ceylon Savings Bank and Post Office Savings Bank may, by arrangement with these institutions, forward their applications through these institutions.

A commission of 1/16 per cent. on the nominal amount of subscription accepted will be allowed to Bankers (including the Ceylon Savings Bank and the Post Office Savings Bank), recognized stock-brokers and brokers in respect of applications bearing their stamp. A negotiating fee of the same percentage on the amount of subscription accepted will be allowed to Proctors in respect of applications bearing their stamp.

Payment for Stock.—Payment should be made :—

- (a) by cheque drawn in favour of the Central Bank of Ceylon and crossed "on account of Ceylon Government Loans" and/or
- (b) by surrender of holdings in the 2½ per cent. National Development Loan 1955–60, repayable on November 1, 1960. (See below for details).

Payment by surrender of Holdings in the 2½ per cent. National Development Loan, 1955–60.—Where holdings in the 2½ per cent. National Development Loan 1955–60 are tendered in payment for stock in the above loans, the application form should be accompanied by the relative scrip of that loan, duly discharged on the reverse together with the redemption warrant completed by the stockholder. On acceptance of the application, stock in the above loans at the rate of Rs. 100 of such stock for each Rs. 100 nominal of the 2½ per cent. National Development Loan 1955–60 will be issued in the name of the applicant.

Scrip.—Stock Certificates will be issued after receipt and acceptance of the applications.

Interest.—Interest at the appropriate rates will be payable half-yearly on the first day of May and the first day of November in each year. The first payment of interest will be on the first day of May, 1961, and will be for the period commencing on the date on which the application is accepted up to and including the thirtieth day of April, 1961.

Taxation.—(i) *Stamp Duty.*—All documents used in the issue, transfer or redemption of the loans will be free from stamp duty.

(ii) *Income Tax.*—Interest to resident holders will be paid without deduction of income tax, but resident holders liable to income tax should include such interest in their income tax returns. Deduction of tax at source will be made from holdings of non-residents. (Current rate of income tax is 33½ per cent. in the case of non-resident individuals, 39½ per cent. in the case of Hindu undivided families and 62 1/9 per cent. in the case of non-resident companies). Persons who are exempt from Ceylon Income Tax will be entitled to claim repayment of the tax deducted.

(iii) *Wealth Tax.*—Under Section 6 (1) (g) of the Personal Tax Act, No. 14 of 1959, investments in securities of the Government of Ceylon are excluded from the wealth of a person, and are thus exempt from Wealth Tax.

(iv) *Estate Duty.*—Government accepts in payment of estate duty such Ceylon Government stocks as may be prescribed. In the case of fully paid stock issued and repayable at par, the stock will discharge an amount of estate duty equal to the aggregate of its face value and the accrued interest thereon. In the case of stock not fully paid, or issued below par, or repayable at an amount other than par the amount of estate duty to be discharged per Rs. 100 nominal stock, together with accrued interest thereon, will be announced from time to time in the *Government Gazette*, but the amount to be discharged per Rs. 100 nominal stock will not be less than the amount originally subscribed or the amount repayable on maturity, whichever is less. The acceptance of any stock in lieu of cash for payment of estate duty is conditional on its being either (a) subscribed for by the deceased when first issued, or (b) purchased by the deceased not less than one year prior to date of death.

Security.—The loans are secured on the Consolidated Fund of Ceylon. A separate sinking fund will be established towards the redemption of each loan under the management of the Monetary Board of the Central Bank of Ceylon, who are the Trustees of the sinking funds. Half-yearly contributions to the two Sinking Funds will be commenced on the dates, and at the rates mentioned below :—

- (a) 3 per cent. Loan 1965/67 : 5 per cent. per annum to commence on November 1, 1961.
- (b) 4½ per cent. Loan, 1981/85 : 3 per cent. per annum to commence on November 1, 1961.

Public Debt.—The present gross funded public debt of Ceylon is Rs. 1,510,443,920. The approximate market value of the accumulated sinking funds amounts to Rs. 316,965,070. The net funded public debt is thus Rs. 1,193,478,850.

Application Forms.—Application forms may be obtained at the Department of Public Debt, or at any Commercial Bank, Kachcheri, Post Office or at the Office of the Commissioner, National Savings Movement.

O. B. GUNAWARDANA,
Registrar.

Department of Public Debt,
Central Bank of Ceylon,
Hemas Building,
P. O. Box 1149,
Colombo, October 21, 1960.