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THE CEYLON GOVERNMENT GAZETTE

EXTRAORDINARY

අංක 14,575—1965 දෙසැම්බර් 2 වැනි මුහුණපිටි—2.12.1965
No. 14,575 — THURSDAY, DECEMBER 2, 1965

(Published by Authority)

PART I: SECTION (I)—GENERAL

Government Notifications

THE REGISTERED STOCK AND SECURITIES ORDINANCE

BY virtue of the powers vested in me by section 34 of the Registered Stock and Securities Ordinance (Chapter 420), I, Ukku Banda Wanninayake, Minister of Finance, do hereby,

- (1) declare the registered stock issued in Ceylon for the purpose of raising the 5-7 year loan directed to be raised by Order, dated November 17, 1958, and published in *Gazette* No. 11,590 of November 21, 1958, to be convertible into other registered stock to be issued under the provisions of this Ordinance; and
- (2) for the purpose of the conversion of the registered stock referred to in paragraph (1), authorise the creation and issue under this Ordinance of registered stock (hereinafter referred to as "new stock") of the amount of Rs. 18,362,800, upon the terms and conditions specified in the Schedule hereto.

Colombo, November 29, 1965.

U. B. WANNINAYAKE,
Minister of Finance.

Schedule

1. The sum of money to be raised by the issue of new stock shall be rupees eighteen million three hundred and sixty two thousand eight hundred only, and it shall be raised by way of a 5-7½ year loan issued at par.
2. The loan shall be raised by the creation and issue of registered stock only.
3. The rate of interest payable on the loan shall be 3½ per centum per annum.
4. The dates in each year on which the half-yearly interest on the loan shall be payable shall be the sixteenth day of June and the sixteenth day of December.
5. The date of redemption of the new stock shall be the sixteenth day of June, 1973.

Provided, however, that the Government shall have the option of redeeming at par the new stock on such date subsequent to the fifteenth day of December, 1970, as may be appointed by the Minister of Finance by notification published, not less than six months prior to that date in the *Gazette*.

PROSPECTUS

List for Conversion opens on 6th December, 1965 and closes on 15th December, 1965, for conversion as on 16th December, 1965—List for Cash subscriptions for the unconverted portion, if any, opens on 16th December, 1965 and will be closed on the same date.

CEYLON GOVERNMENT CONVERSION LOAN

Issue of Rs. 18,362,800—3½ per cent. Loan, 1970-73

The Central Bank of Ceylon, on behalf of the Government of Ceylon, invites applications for the following loan by conversion at par of the Ceylon Government 2½ per cent. stock 1963-65 "B" series due for repayment on December 16, 1965, or in cash for the unconverted portion, if any:—

Rs. 18,362,800, 3½ per cent. Loan issued at par, and repayable at par on June 16, 1973, but the Government will have the option of repayment at par on such date subsequent to December 15, 1970, on giving six month's notice.

Authority and Purpose.—The loan is raised under the provisions of Section 34 of the Registered Stock and Securities Ordinance (Cap. 420) in conversion of the Rs. 18,362,800, 2½ per cent. Loan 1963-65 "B" Series raised in December, 1958 and on the authority of the National Development Loan Act, No. 3 of 1950 (Cap. 409).

Form of Issue.—The loan 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.)

Offer of Conversion.—Holders of the 2½ per cent. Loan 1963-65 "B" Series can offer their holdings, in whole or part, for conversion as on December 16, 1965, into an equal nominal amount of new 3½ per cent. Loan 1970-73. The offer remains open until December 15, 1965, only. Applications should be made immediately on the prescribed form accompanied by the relative Stock Certificates. A full half year's interest will be paid on June 16, 1966, on the new stock.

Cash Applications.—Cash applications for the unconverted balance remaining, if any, out of Rs. 18,362,800 of the 2½ per cent. Loan 1963-65 "B" Series will be entertained on December 16, 1965. Applications must be on the prescribed 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 the Savings Banks, forward applications through those banks. Payment should be made by cheque drawn in favour of the Central Bank of Ceylon and crossed "on account of Ceylon Government Loan". The first half-yearly payment of interest will be for the amount of interest due for the period commencing on the date on which the application is accepted up to and including the 15th day of June, 1966. The issue price is Rs. 100 per cent. payable in full at the time of application and the minimum holding is Rs. 100.

Brokerage.—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), recognised stock brokers and brokers in respect of applications bearing their stamps. A negotiating fee of the same percentage on the nominal amount of subscription accepted will be allowed to Proctors in respect of applications bearing their stamp.

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

Interest.—Interest at the rate of 3½ per centum per annum will be payable half-yearly on the Sixteenth day of June and the Sixteenth day of December in each year.

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

(ii) *Income Tax.*—Interest to resident holders other than to members of Hindu undivided families 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 and of members of Hindu undivided families. (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 67 per cent. in respect of interest paid or credited to 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 31 (1) (g) of the Inland Revenue Act, No. 4 of 1963, 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 Ceylon Government stocks issued in Ceylon. 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.

Public Debt.—The present gross funded public debt of Ceylon is Rs. 2,678,401,511. The approximate market value of the accumulated sinking funds amounts to Rs. 418,428,365. The net funded public debt is thus Rs. 2,259,973,146.

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.

Department of Public Debt,
Central Bank of Ceylon,
Central Bank of Ceylon Building,
P. O. Box 1149,
Colombo, December 2, 1965.

O. B. GUNAWARDANA,
Registrar of Public Debt.