

REPUBLIC OF NAURU

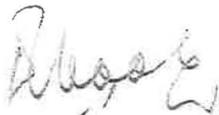
(No. 6 of 1977)

AN ACT

To amend the law relating to the Republic of Nauru Finance Corporation by providing for the registration of certain charges given to secure loans to the Corporation.

(Certified: 28/4/1977)

I HEREBY CERTIFY that the attached document is a fair print of an Act entitled Republic of Nauru Finance Corporation (Amendment) Act 1977 that has been made by Parliament and is now presented to the Speaker for his Certificate under Article 47 of the Constitution.



Clerk of Parliament  
28/4/1977

Pursuant to Article 35(3) and 47 of the Constitution, I, DAVID PETER GADARAOA, Speaker of Parliament, HEREBY CERTIFY that the Republic of Nauru Finance Corporation (Amendment) Act, 1977 a copy of which is attached has been passed by Parliament.



Speaker  
28/4/1977

REPUBLIC OF NAURU FINANCE CORPORATION  
(AMENDMENT) ACT 1977

ARRANGEMENT OF SECTIONS

Section

1. Short title.
2. Amendment to Section 30.

AN ACT

To amend the law relating to the Republic of Nauru Finance Corporation by providing for the registration of certain charges given to secure loans to the Corporation.

(Certified: 28/4/1977 )

Enacted by the Parliament of Nauru as follows -

SHORT TITLE

1. (1) This Act may be cited as the Republic of Nauru Finance Corporation (Amendment) Act 1977

(2) This Act shall be read and construed together with the Republic of Nauru Finance Corporation Act 1972.

AMENDMENT TO SECTION 30

2. Section 30 of the Republic of Nauru Finance Corporation Act 1972 is amended by inserting new sub-sections (3) and (4) as follows -

(3) Where a charge is effected pursuant to a direction of the Cabinet under sub-section (1) the Registrar of Corporations shall forthwith register that charge in a register to be known as the Nauru Phosphate Royalties Trust Charges Register and all such charges shall have and take priority in accordance with the order in which they were so registered.

(4) In respect of any charge to which sub-section (3) applies the Registrar of Corporations -

- (a) shall upon production to him of evidence of the creation of such charge register the same;
- (b) shall upon registering any such charge deliver to the chargeholder a certificate of the registration thereof;
- (c) shall upon being satisfied that such charge has been discharged or otherwise satisfied note the register accordingly;
- (d) may deliver or cause to be delivered to any person appearing to him to have sufficient grounds for requiring the same a certificate specifying -

- (i) the date of registration of the charge,
- (ii) the amount secured by the charge,
- (iii) the property charged,
- (iv) the names of the parties to the charge,  
and
- (v) any covenant contained in the charge not  
to create any other or prior charge

Provided that no such certificate shall be delivered to any person in Nauru without an order in writing by the Minister authorising such delivery other than to a Member of Cabinet, a member of the Board or a member of the Trust."

## OBJECTS AND REASONS

Section 30 of the Republic of Nauru Finance Corporation Act 1972 provides that where the Cabinet so directs the Nauru Phosphate Royalties Trust shall give a charge over one or more of the funds administered by it to secure a loan to the Finance Corporation. The law does not, however, at the present time require or allow any such charge to be recorded on a public register.

In the absence of any provision for registration of such charges difficulty may be experienced in having such charges accepted by overseas investors thus depriving the Republic access to the overseas loan market. It is therefore desirable that provision be made for registration of the creation and discharge or satisfaction of such charges.

This Bill seeks to amend Section 30 of the Republic of Nauru Finance Corporation Act 1972 by providing for the creation and discharge or satisfaction of such charges to be recorded on a special register to be maintained by the Registrar of Corporations and to be known as the Nauru Phosphate Royalties Trust Charges Register.

The charges will take priority in order of registration and apart from Parliament, Cabinet, the Finance Corporation, the Trust and the Chargeholder only persons authorised by the Minister will have access to the information recorded in the register.

Any person claiming an interest in the charge on production of evidence of such interest may also be permitted access to the information recorded on the register as will any bona fide proposed lender.