

# New South Wales.



ANNO VICESIMO SECUNDO

# GEORGI V REGIS.

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## Act No. 63, 1931.

An Act to provide for adjustment in certain cases as between capital and income in connection with the conversions of securities under the Act of the Commonwealth known as the Commonwealth Debt Conversion Act, 1931; and for purposes connected therewith; and for other purposes. [Assented to, 10th December, 1931.]

**B**E it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

**1.** This Act may be cited as the "Conversions of Short title. Securities Adjustment Act, 1931."

**2.**



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*Conversions of Securities Adjustment.*

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Commence-  
ment.

**2.** This Act shall commence upon a date to be appointed by the Governor and notified by proclamation published in the Gazette.

Construction  
of Act.

**3.** This Act shall be read and construed so as not to exceed the legislative power of the State to the intent that where any enactment thereof would, but for this section, have been construed as being in excess of that power, it shall nevertheless be a valid enactment to the extent to which it is not in excess of that power.

Interpreta-  
tion.

**4.** In this Act, unless the context requires another meaning,—

“Existing security” means an existing security as defined by the Commonwealth Debt Conversion Act, 1931, which has been converted into a new security as defined by the said Act.

“New security” means a new security as defined by the said Act which has been issued by way of conversion of an existing security as defined by the said Act.

“Court” means the Supreme Court in its equitable jurisdiction.

“Person” includes the executors, administrators, and assigns of an individual and the assigns of a corporation.

“Trustee” means trustee as defined by the Trustee Act, 1925.

Operation of  
Act.

**5.** References in this Act to conversions and to existing securities and to new securities shall include conversions under the Commonwealth Debt Conversion Act, 1931, by reason of the Agreement between the Commonwealth and the States contained in the Schedule to the Debt Conversion Agreement (No. 2) Act, 1931, and by reason of that Act, and shall include existing securities so converted and new securities issued on such conversion.

Adjustments  
necessary.

**6.** Where immediately prior to the first day of August, one thousand nine hundred and thirty-one, the beneficial interest in the income of an existing security was not vested in the same person and to the same extent as the beneficial interest in the capital thereof,  
then



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*Conversions of Securities Adjustment.*

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then as between such of the persons as are for the time being interested in the income of the new security into which such existing security has been converted and such of the persons as are for the time being interested in the capital of the new security respectively the following provisions shall apply :—

- (1) Where a conversion is for a new security without any cash in addition thereto, if the face value of the new security is equal to the face value of the existing security no adjustment as between income and capital shall be made by reason of the conversion.
- (2) Where a conversion is for a new security and in addition thereto cash is receivable on the conversion, if the face value of the new security is equal to the face value of the existing security the amount of the cash so receivable shall be deemed to be income and be applicable accordingly to augment from day to day the interest on the new security for the period commencing on the first day of August, one thousand nine hundred and thirty-one, so as to make it (so far as such cash will extend) as nearly as may be equal to an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the thirty-first day of July, one thousand nine hundred and thirty-one.
- (3) Where the face value of the new security is greater than the face value of the existing security a sum equal to the amount of such excess together with the amount of any cash receivable in addition to the new security on the conversion of the existing security shall be deemed to be income and be applicable out of the capital of the new security accordingly to augment from day to day the interest on the new security for the period commencing on the first day of August, one thousand nine hundred and thirty-one, so as to make it (so far

as



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*Conversions of Securities Adjustment.*

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- as such excess will extend } as nearly as may be equal to an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the thirty-first day of July, one thousand nine hundred and thirty-one.
- (4) Where the face value of the new security is less than the face value of the existing security, and if no cash is receivable in addition to the new security on the conversion of the existing security, or if the cash so receivable is an amount which when added to the face value of the new security amounts to less than the face value of the existing security, then, as nearly as may be, so much of the interest on the new security in the period commencing on the first day of August, one thousand nine hundred and thirty-one, as exceeds an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the thirty-first day of July, one thousand nine hundred and thirty-one, shall be deductible from day to day from the income and shall together with any cash receivable as aforesaid on the conversion be deemed to be capital and applicable accordingly until the sum so deducted, together with any cash receivable as aforesaid on the conversion equals the difference between the face values of the existing security and the new security.
- (5) Where the face value of the new security is less than the face value of the existing security if there is receivable in addition to the new security on the conversion of the existing security cash of an amount which when added to the face value of the new security equals the face value of the existing security, the amount of the cash shall be deemed to be capital and applicable accordingly. (6)



*Conversions of Securities Adjustment.*

- (6) Where the face value of the new security is less than the face value of the existing security, if there is receivable in addition to the new security on the conversion of the existing security cash of an amount, which when added to the face value of the new security, is greater than the face value of the existing security, the part of the cash which is equal to such excess shall be deemed to be income and be applicable accordingly to augment from day to day (so far as the same will extend) the interest on the new security for the period commencing on the first day of August, one thousand nine hundred and thirty-one, so as to make it as nearly as may be equal to an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the thirty-first day of July, one thousand nine hundred and thirty-one, and the remainder of the cash receivable as aforesaid shall be deemed to be capital.

## 7. (1) Where—

- (a) the cash receivable on conversion deemed to be income by paragraph two of section six, or
- (b) the excess of the face value of the new security over the face value of the existing security together with the amount of the cash (if any) receivable on conversion deemed to be income by paragraph three of section six, or
- (c) the excess of the cash receivable on conversion together with the face value of the new security over the face value of the existing security deemed to be income by paragraph six of section six,

Certain small adjustments need not be made.

amounts in the case of any one trust, in all, to a sum that is less than ten pounds, the whole of such sum, notwithstanding the provisions of the said respective paragraphs, may, without adjustment or apportionment, be at once treated as income and paid to the person entitled to the income or applied by such person as income accordingly. (2)



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*Conversions of Securities Adjustment.*

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(2) Where the face value of the new security together with the cash (if any) receivable on conversion is less than the face value of the existing security by an amount that in the case of any one trust does not in all exceed ten pounds, notwithstanding paragraph four of section six, no deductions need be made from the interest on the new securities, but the whole of such interest may, without deduction or apportionment, be paid to the person entitled to the income or applied by such person as income accordingly.

Raising of money out of capital in certain cases.

**8.** When in pursuance of paragraph three of section six any person is in respect to his interest in the income of a new security entitled to receive or to cause to be applied any money which is deemed to be income by virtue of that paragraph such money may be raised out of the capital of the new security, and such capital may be applied for that purpose to any necessary extent.

Trustees powers in certain cases.

**9.** Where a new security referred to in paragraph three of section six is vested in a trustee such trustee shall have power—

- (1) at any time and from time to time to raise out of the capital of the new security, by selling, mortgaging, or charging the same or any part thereof, such sum as may be required to provide any money by the said paragraph deemed to be income which has not been paid or applied;
- (2) to raise in manner aforesaid a sum of money equal to the amount of the excess of the face value of the new security over the face value of the existing security or to so much of the amount of such excess as shall not have been already raised, and to appropriate the sum so raised for the purpose of future payments or applications; and
- (3) at any time and from time to time to provide any money which is so deemed to be income out of any capital moneys forming part of any property held subject to the same beneficial trusts as the new security.

**10.**



*Conversions of Securities Adjustment.*

**10.** Any person who is for the time being entitled to receive or cause to be applied money which is by paragraph three of section six deemed to be income or any person who is for the time being interested in the capital of the new security from the income of which deductions of money are to be made under paragraph four of the same section may apply to the court by summons according to the procedure provided by section ninety-one of the Trustee Act, 1925, for an order that such money may be raised, set aside, paid, or applied as the court may direct, and the court may make such order as in the circumstances it thinks fit including an order for the payment by any party of the costs of the other parties where justified by the circumstances.

Application to court by certain persons.

**11.** (1) Where any existing securities are converted into new securities, the new securities and the interest thereon shall, subject to the provisions of this Act, be subject to the same trusts, powers, rights, testamentary and other dispositions, provisions, and incumbrances as affect the securities so converted and the interest thereon respectively.

Application to new securities of trusts, powers, &c., affecting former securities.  
cf. Imp. 51 Vic., c. 2, s. 25; Vict., No. 3956, s. 7.

(2) In any Act passed or instrument executed before the first day of August, one thousand nine hundred and thirty-one, references to any existing security may be construed as references to new securities, and in the case of a testamentary instrument executed before the conversion of an existing security into a new security, any disposition which but for such conversion would have operated as a specific bequest of an existing security or of any interest therein, shall be operative with respect to the new security issued on the conversion as if it were the existing security.

As to construction of previous Acts and instruments.  
cf. *Ibid.*

By Authority:

ALFRED JAMES KENT, I.S.O., Government Printer, Sydney, 1931.



Provisions of Section 11

10. Any person who for the time being entitled to receive or claim to be entitled to receive any interest in any property or to be entitled to be included in any class of persons for the time being interested in the property of the said person, or to be included in any class of persons for the time being interested in the property of the said person, may apply to the court by petition or otherwise for an order that the court may direct, and the court may make such order in the circumstances it thinks fit regarding an order for the payment of any part of the costs of the proceedings which are directed by the court.

11. (1) Where any estate, real or personal, or any interest therein, is subject to the provisions of this Act, the person or persons who are entitled to the same shall be deemed to be the persons who are entitled to the same, and the court may direct, and the court may make such order in the circumstances it thinks fit regarding an order for the payment of any part of the costs of the proceedings which are directed by the court.

(2) In any case where an estate, real or personal, or any interest therein, is subject to the provisions of this Act, the person or persons who are entitled to the same shall be deemed to be the persons who are entitled to the same, and the court may direct, and the court may make such order in the circumstances it thinks fit regarding an order for the payment of any part of the costs of the proceedings which are directed by the court.



*I certify that this PUBLIC BILL, which originated in the LEGISLATIVE ASSEMBLY, has finally passed the LEGISLATIVE COUNCIL and the LEGISLATIVE ASSEMBLY of NEW SOUTH WALES.*

W. R. McCOURT,  
*Clerk of the Legislative Assembly.*  
*Legislative Assembly Chamber,*  
*Sydney, 3 December, 1931.*

## New South Wales.



ANNO VICESIMO SECUNDO

# GEORGII V REGIS.

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## Act No. 63, 1931.

An Act to provide for adjustment in certain cases as between capital and income in connection with the conversions of securities under the Act of the Commonwealth known as the Commonwealth Debt Conversion Act, 1931; and for purposes connected therewith; and for other purposes. [Assented to, 10th December, 1931.]

**B**E it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

**1.** This Act may be cited as the "Conversions of Short title. Securities Adjustment Act, 1931."

**2.**

*I have examined this Bill, and find it to correspond in all respects with the Bill as finally passed by both Houses.*

H. J. CONNELL,  
*Chairman of Committees of the Legislative Assembly*



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*Conversions of Securities Adjustment.*

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- Commencement.** **2.** This Act shall commence upon a date to be appointed by the Governor and notified by proclamation published in the Gazette.
- Construction of Act.** **3.** This Act shall be read and construed so as not to exceed the legislative power of the State to the intent that where any enactment thereof would, but for this section, have been construed as being in excess of that power, it shall nevertheless be a valid enactment to the extent to which it is not in excess of that power.
- Interpretation.** **4.** In this Act, unless the context requires another meaning,—
- “Existing security” means an existing security as defined by the Commonwealth Debt Conversion Act, 1931, which has been converted into a new security as defined by the said Act.
- “New security” means a new security as defined by the said Act which has been issued by way of conversion of an existing security as defined by the said Act.
- “Court” means the Supreme Court in its equitable jurisdiction.
- “Person” includes the executors, administrators, and assigns of an individual and the assigns of a corporation.
- “Trustee” means trustee as defined by the Trustee Act, 1925.
- Operation of Act.** **5.** References in this Act to conversions and to existing securities and to new securities shall include conversions under the Commonwealth Debt Conversion Act, 1931, by reason of the Agreement between the Commonwealth and the States contained in the Schedule to the Debt Conversion Agreement (No. 2) Act, 1931, and by reason of that Act, and shall include existing securities so converted and new securities issued on such conversion.
- Adjustments necessary.** **6.** Where immediately prior to the first day of August, one thousand nine hundred and thirty-one, the beneficial interest in the income of an existing security was not vested in the same person and to the same extent as the beneficial interest in the capital thereof, then



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*Conversions of Securities Adjustment.*

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then as between such of the persons as are for the time being interested in the income of the new security into which such existing security has been converted and such of the persons as are for the time being interested in the capital of the new security respectively the following provisions shall apply :—

- (1) Where a conversion is for a new security without any cash in addition thereto, if the face value of the new security is equal to the face value of the existing security no adjustment as between income and capital shall be made by reason of the conversion.
- (2) Where a conversion is for a new security and in addition thereto cash is receivable on the conversion, if the face value of the new security is equal to the face value of the existing security the amount of the cash so receivable shall be deemed to be income and be applicable accordingly to augment from day to day the interest on the new security for the period commencing on the first day of August, one thousand nine hundred and thirty-one, so as to make it (so far as such cash will extend) as nearly as may be equal to an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the thirty-first day of July, one thousand nine hundred and thirty-one.
- (3) Where the face value of the new security is greater than the face value of the existing security a sum equal to the amount of such excess together with the amount of any cash receivable in addition to the new security on the conversion of the existing security shall be deemed to be income and be applicable out of the capital of the new security accordingly to augment from day to day the interest on the new security for the period commencing on the first day of August, one thousand nine hundred and thirty-one, so as to make it (so far  
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*Conversions of Securities Adjustment.*

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as such excess will extend; as nearly as may be equal to an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the thirty-first day of July, one thousand nine hundred and thirty-one.

- (4) Where the face value of the new security is less than the face value of the existing security, and if no cash is receivable in addition to the new security on the conversion of the existing security, or if the cash so receivable is an amount which when added to the face value of the new security amounts to less than the face value of the existing security, then, as nearly as may be, so much of the interest on the new security in the period commencing on the first day of August, one thousand nine hundred and thirty-one, as exceeds an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the thirty-first day of July, one thousand nine hundred and thirty-one, shall be deductible from day to day from the income and shall together with any cash receivable as aforesaid on the conversion be deemed to be capital and applicable accordingly until the sum so deducted, together with any cash receivable as aforesaid on the conversion equals the difference between the face values of the existing security and the new security.
- (5) Where the face value of the new security is less than the face value of the existing security if there is receivable in addition to the new security on the conversion of the existing security cash of an amount which when added to the face value of the new security equals the face value of the existing security, the amount of the cash shall be deemed to be capital and applicable accordingly. (6)



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*Conversions of Securities Adjustment.*

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- (6) Where the face value of the new security is less than the face value of the existing security, if there is receivable in addition to the new security on the conversion of the existing security cash of an amount, which when added to the face value of the new security, is greater than the face value of the existing security, the part of the cash which is equal to such excess shall be deemed to be income and be applicable accordingly to augment from day to day (so far as the same will extend) the interest on the new security for the period commencing on the first day of August, one thousand nine hundred and thirty-one, so as to make it as nearly as may be equal to an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the thirty-first day of July, one thousand nine hundred and thirty-one, and the remainder of the cash receivable as aforesaid shall be deemed to be capital.

**7. (1) Where—**

- (a) the cash receivable on conversion deemed to be income by paragraph two of section six, or
- (b) the excess of the face value of the new security over the face value of the existing security together with the amount of the cash (if any) receivable on conversion deemed to be income by paragraph three of section six, or
- (c) the excess of the cash receivable on conversion together with the face value of the new security over the face value of the existing security deemed to be income by paragraph six of section six,

Certain small adjustments need not be made.

amounts in the case of any one trust, in all, to a sum that is less than ten pounds, the whole of such sum, notwithstanding the provisions of the said respective paragraphs, may, without adjustment or apportionment, be at once treated as income and paid to the person entitled to the income or applied by such person as income accordingly.

(2)



*Conversions of Securities Adjustment.*

(2) Where the face value of the new security together with the cash (if any) receivable on conversion is less than the face value of the existing security by an amount that in the case of any one trust does not in all exceed ten pounds, notwithstanding paragraph four of section six, no deductions need be made from the interest on the new securities, but the whole of such interest may, without deduction or apportionment, be paid to the person entitled to the income or applied by such person as income accordingly.

Raising of money out of capital in certain cases.

**8.** When in pursuance of paragraph three of section six any person is in respect to his interest in the income of a new security entitled to receive or to cause to be applied any money which is deemed to be income by virtue of that paragraph such money may be raised out of the capital of the new security, and such capital may be applied for that purpose to any necessary extent.

Trustees powers in certain cases.

**9.** Where a new security referred to in paragraph three of section six is vested in a trustee such trustee shall have power—

- (1) at any time and from time to time to raise out of the capital of the new security, by selling, mortgaging, or charging the same or any part thereof, such sum as may be required to provide any money by the said paragraph deemed to be income which has not been paid or applied;
- (2) to raise in manner aforesaid a sum of money equal to the amount of the excess of the face value of the new security over the face value of the existing security or to so much of the amount of such excess as shall not have been already raised, and to appropriate the sum so raised for the purpose of future payments or applications; and
- (3) at any time and from time to time to provide any money which is so deemed to be income out of any capital moneys forming part of any property held subject to the same beneficial trusts as the new security.

**10.**



*Conversions of Securities Adjustment.*

**10.** Any person who is for the time being entitled to receive or cause to be applied money which is by paragraph three of section six deemed to be income or any person who is for the time being interested in the capital of the new security from the income of which deductions of money are to be made under paragraph four of the same section may apply to the court by summons according to the procedure provided by section ninety-one of the Trustee Act, 1925, for an order that such money may be raised, set aside, paid, or applied as the court may direct, and the court may make such order as in the circumstances it thinks fit including an order for the payment by any party of the costs of the other parties where justified by the circumstances.

Application to court by certain persons.

**11.** (1) Where any existing securities are converted into new securities, the new securities and the interest thereon shall, subject to the provisions of this Act, be subject to the same trusts, powers, rights, testamentary and other dispositions, provisions, and incumbrances as affect the securities so converted and the interest thereon respectively.

Application to new securities of trusts, powers, &c., affecting former securities.  
cf. Imp. 51 Vic., c. 2, s. 25; Vict., No. 3956, s. 7.

(2) In any Act passed or instrument executed before the first day of August, one thousand nine hundred and thirty-one, references to any existing security may be construed as references to new securities, and in the case of a testamentary instrument executed before the conversion of an existing security into a new security, any disposition which but for such conversion would have operated as a specific bequest of an existing security or of any interest therein, shall be operative with respect to the new security issued on the conversion as if it were the existing security.

As to construction of previous Acts and instruments.  
cf. *Ibid.*

*In the name and on behalf of His Majesty I assent to this Act.*

PHILIP GAME,  
Governor.

Government House,  
Sydney, 19th December, 1931.



THE BANK OF AMERICA

1. The Bank of America is a corporation organized under the laws of the State of North Carolina, and is authorized to do any and every act which a natural person is authorized to do.

2. The Bank of America is authorized to receive deposits of money, to loan money, to discount promissory notes, and to do all other things which banks are authorized to do.

3. The Bank of America is authorized to issue and redeem its own notes and bills, and to do all other things which banks are authorized to do.

4. The Bank of America is authorized to do all other things which banks are authorized to do.

5. The Bank of America is authorized to do all other things which banks are authorized to do.



*This PUBLIC BILL originated in the LEGISLATIVE ASSEMBLY, and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.*

W. R. McCOURT,  
*Clerk of the Legislative Assembly.*  
*Legislative Assembly Chamber,*  
*Sydney, 2 December, 1931.*

## New South Wales.



ANNO VICESIMO SECUNDO

## GEORGII V REGIS.

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Act No. , 1931.

An Act to provide for adjustment in certain cases as between capital and income in connection with the conversions of securities under the Act of the Commonwealth known as the Commonwealth Debt Conversion Act, 1931; and for purposes connected therewith; and for other purposes.

**B**E it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

**1.** This Act may be cited as the "Conversions of Securities Adjustment Act, 1931." Short title.



*Conversions of Securities Adjustment.*

- 2.** This Act shall commence upon a date to be appointed by the Governor and notified by proclamation published in the Gazette. Commencement.
- 3.** This Act shall be read and construed so as not to exceed the legislative power of the State to the intent that where any enactment thereof would, but for this section, have been construed as being in excess of that power, it shall nevertheless be a valid enactment to the extent to which it is not in excess of that power. Construction of Act.
- 4.** In this Act, unless the context requires another meaning,— Interpretation.
- “Existing security” means an existing security as defined by the Commonwealth Debt Conversion Act, 1931, which has been converted into a new security as defined by the said Act.
- “New security” means a new security as defined by the said Act which has been issued by way of conversion of an existing security as defined by the said Act.
- “Court” means the Supreme Court in its equitable jurisdiction.
- “Person” includes the executors, administrators, and assigns of an individual and the assigns of a corporation.
- “Trustee” means trustee as defined by the Trustee Act, 1925.
- 5.** References in this Act to conversions and to existing securities and to new securities shall include conversions under the Commonwealth Debt Conversion Act, 1931, by reason of the Agreement between the Commonwealth and the States contained in the Schedule to the Debt Conversion Agreement (No. 2) Act, 1931, and by reason of that Act, and shall include existing securities so converted and new securities issued on such conversion. Operation of Act.
- 6.** Where immediately prior to the first day of August, one thousand nine hundred and thirty-one, the beneficial interest in the income of an existing security was not vested in the same person and to the same extent as the beneficial interest in the capital thereof, then Adjustments necessary.



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*Conversions of Securities Adjustment.*

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then as between such of the persons as are for the time being interested in the income of the new security into which such existing security has been converted and such of the persons as are for the time being interested  
5 in the capital of the new security respectively the following provisions shall apply :—

- 10 (1) Where a conversion is for a new security without any cash in addition thereto, if the face value of the new security is equal to the face value of the existing security no adjustment as between income and capital shall be made by reason of the conversion.
- 15 (2) Where a conversion is for a new security and in addition thereto cash is receivable on the conversion, if the face value of the new security is equal to the face value of the existing security the amount of the cash so receivable shall be deemed to be income and be applicable accordingly to augment from  
20 day to day the interest on the new security for the period commencing on the first day of August, one thousand nine hundred and thirty-one, so as to make it (so far as such cash will extend) as nearly as may be equal to  
25 an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the thirty-first day of July, one thousand nine hundred and thirty-one.
- 30 (3) Where the face value of the new security is greater than the face value of the existing security a sum equal to the amount of such excess together with the amount of any cash  
35 receivable in addition to the new security on the conversion of the existing security shall be deemed to be income and be applicable out of the capital of the new security accordingly to augment from day to day the interest on the  
40 new security for the period commencing on the first day of August, one thousand nine hundred and thirty-one, so as to make it (so far  
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*Conversions of Securities Adjustment.*

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as such excess will extend) as nearly as may be equal to an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the thirty-first day of July, one thousand nine hundred and thirty-one.

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- (4) Where the face value of the new security is less than the face value of the existing security, and if no cash is receivable in addition to the new security on the conversion of the existing security, or if the cash so receivable is an amount which when added to the face value of the new security amounts to less than the face value of the existing security, then, as nearly as may be, so much of the interest on the new security in the period commencing on the first day of August, one thousand nine hundred and thirty-one, as exceeds an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the thirty-first day of July, one thousand nine hundred and thirty-one, shall be deductible from day to day from the income and shall together with any cash receivable as aforesaid on the conversion be deemed to be capital and applicable accordingly until the sum so deducted, together with any cash receivable as aforesaid on the conversion equals the difference between the face values of the existing security and the new security.
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- (5) Where the face value of the new security is less than the face value of the existing security if there is receivable in addition to the new security on the conversion of the existing security cash of an amount which when added to the face value of the new security equals the face value of the existing security, the amount of the cash shall be deemed to be capital and applicable accordingly.
- 35
- 40
- (6)



*Conversions of Securities Adjustment.*

5 (6) Where the face value of the new security is less than the face value of the existing security, if there is receivable in addition to the new security on the conversion of the existing security cash of an amount, which when added to the face value of the new security, is greater than the face value of the existing security, the part of the cash which is equal to such excess shall be deemed to be income and be applicable accordingly to 10 augment from day to day (so far as the same will extend) the interest on the new security for the period commencing on the first day of August, one thousand nine hundred and 15 thirty-one, so as to make it as nearly as may be equal to an amount that is twenty-two and one-half per centum less than the interest that was payable on the existing security on the 20 thirty-first day of July, one thousand nine hundred and thirty-one, and the remainder of the cash receivable as aforesaid shall be deemed to be capital.

## 7. (1) Where—

- 25 (a) the cash receivable on conversion deemed to be income by paragraph two of section six, or  
 (b) the excess of the face value of the new security over the face value of the existing security together with the amount of the cash (if any) receivable on conversion deemed to be income 30 by paragraph three of section six, or  
 (c) the excess of the cash receivable on conversion together with the face value of the new security over the face value of the existing security deemed to be income by paragraph 35 six of section six,

amounts in the case of any one trust, in all, to a sum that is less than ten pounds, the whole of such sum, notwithstanding the provisions of the said respective paragraphs, may, without adjustment or apportionment, 40 be at once treated as income and paid to the person entitled to the income or applied by such person as income accordingly. (2)

Certain small adjustments need not be made.



*Conversions of Securities Adjustment.*

(2) Where the face value of the new security together with the cash (if any) receivable on conversion is less than the face value of the existing security by an amount that in the case of any one trust does not in all  
 5 exceed ten pounds, notwithstanding paragraph four of section six, no deductions need be made from the interest on the new securities, but the whole of such interest may, without deduction or apportionment, be paid to the person entitled to the income or applied by  
 10 such person as income accordingly.

**8.** When in pursuance of paragraph three of section six any person is in respect to his interest in the income of a new security entitled to receive or to cause to be applied any money which is deemed to be income by  
 15 virtue of that paragraph such money may be raised out of the capital of the new security, and such capital may be applied for that purpose to any necessary extent.

Raising of money out of capital in certain cases.

**9.** Where a new security referred to in paragraph three of section six is vested in a trustee such trustee  
 20 shall have power—

Trustees powers in certain cases.

(1) at any time and from time to time to raise out of the capital of the new security, by selling, mortgaging, or charging the same or any part thereof, such sum as may be required to  
 25 provide any money by the said paragraph deemed to be income which has not been paid or applied;

(2) to raise in manner aforesaid a sum of money equal to the amount of the excess of the face value of the new security over the face value of the existing security or to so much of the amount of such excess as shall not have been  
 30 already raised, and to appropriate the sum so raised for the purpose of future payments or applications; and

(3) at any time and from time to time to provide any money which is so deemed to be income out of any capital moneys forming part of any property held subject to the same beneficial trusts as the new security.  
 35  
 40



*Conversions of Securities Adjustment.*

- 10.** Any person who is for the time being entitled to receive or cause to be applied money which is by paragraph three of section six deemed to be income or any person who is for the time being interested in the  
 5 capital of the new security from the income of which deductions of money are to be made under paragraph four of the same section may apply to the court by summons according to the procedure provided by section ninety-one of the Trustee Act, 1925, for an order that  
 10 such money may be raised, set aside, paid, or applied as the court may direct, and the court may make such order as in the circumstances it thinks fit including an order for the payment by any party of the costs of the other parties where justified by the circumstances.
- 15 11.** (1) Where any existing securities are converted into new securities, the new securities and the interest thereon shall, subject to the provisions of this Act, be subject to the same trusts, powers, rights, testamentary and other dispositions, provisions, and incumbrances as  
 20 affect the securities so converted and the interest thereon respectively.
- (2) In any Act passed or instrument executed before the first day of August, one thousand nine hundred and thirty-one, references to any existing  
 25 security may be construed as references to new securities, and in the case of a testamentary instrument executed before the conversion of an existing security into a new security, any disposition which but for such conversion would have operated as a specific bequest of an existing  
 30 security or of any interest therein, shall be operative with respect to the new security issued on the conversion as if it were the existing security.

Application to court by certain persons.

Application to new securities of trusts, powers, &c., affecting former securities.  
 cf. Imp. 51 Vic., c. 2, s. 25; Viet. No. 3956, s. 7.

As to construction of previous Acts and instruments.  
 cf. *Ibid.*



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