



# OFFICIAL GAZETTE

## OF THE HIGH COMMISSIONER FOR SOUTH AFRICA.

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### PROCLAMATION

By His Excellency the High Commissioner.

Whereas it is expedient to amend the law relating to the administration of insolvent and assigned estates in the territory of Basutoland (herein after referred to as "the territory");

Now therefore under and by virtue of the powers in me vested I do hereby declare proclaim and make known as follows:—

1. The sixth article of the placat of the Emperor Charles V., dated the fourth day of October, 1540, is withdrawn from operation in Basutoland, and Ordinance No. 6 of 1843 of the Cape of Good Hope, as of force in the territory, and High Commissioner's Proclamation No. 43 of 1908, shall be and are hereby repealed: Provided that the provisions so withdrawn or repealed shall, as far as applicable, continue to apply to any estate which has been sequestrated or assigned at the commencement of this Proclamation: Provided further that all proceedings which have been instituted before the commencement of this Proclamation for the sequestration or assignment of any estate shall be continued up to the final sequestration or assignment of that estate, as if this Proclamation had not been promulgated, but thereafter the provisions of this Proclamation shall apply in the same manner as if that estate had been sequestrated or assigned under the provisions of this Proclamation.

2. In this Proclamation, unless inconsistent with the context—

"account" shall mean liquidation account and plan of distribution or of contribution, or of distribution and contribution, as the case may require;

"Assistant Commissioner" shall include a Deputy-Assistant Commissioner;

"Court" or "the Court" shall mean the Court of the Resident Commissioner; and, in relation to any offence against this Proclamation, the term "Court" or "the Court" shall include an Assistant Commissioner's Court having jurisdiction in respect of that offence; and, in sections twenty-four, twenty-seven, twenty-eight, twenty-nine and thirty-one shall include an Assistant Commissioner's Court acting within its jurisdiction;

"creditor" shall include any person who, or any estate of a person which, is a creditor in the usual sense of the word;

"debtor" shall, when used in connexion with an estate which is about to be sequestrated or assigned, include any person who, or any estate of a person which, is a debtor in the usual sense of the word, except a body corporate or a company or other association of persons which may be placed in liquidation under the law for the time being in force in the territory, relating to the winding up of companies;

"disposition" shall mean any transfer or abandonment of rights to property and shall include sale, lease, mortgage, pledge, conveyance, delivery, payment, release, compromise, donation or any contract therefor, but shall not include a disposition in compliance with an order of the Court;

"free residue" shall, in relation to an estate mean that portion of the estate under sequestration which is not subject to any right of preference by reason of any special mortgage, legal hypothec, pledge or right of retention;

"Gazette" shall mean the *Official Gazette of the High Commissioner for South Africa*;

"good faith" shall, when used in connexion with dispositions of property, mean the absence of any intention to prejudice creditors in obtaining payment of their debts or to prefer one above another;

"immovable property" shall mean every right or interest to and in any buildings and other fixtures erected within the territory with the consent express or implied, of the Government;

"insolvent" shall mean a debtor whose estate is under sequestration;

"marketable security" shall mean any stock, debenture, share or any other interest whatever capable of being sold in a share market or exchange and includes also the scrip, certificate, warrant or other instrument by which the title to such stock, debenture, share, or other interest is represented;

"Master" shall mean the Master of Court of Basutoland;

"movable property" shall mean every kind of property and every right or interest which is not immovable property;

"preference" in regard to any claim in an estate under sequestration shall mean the right to have assets of the estate applied in satisfaction of that claim in preference to other claims;

"property" shall include movable or immovable property wherever situate within the territory, and shall include contingent interests in property;

"provisional order" shall mean an order whereby an estate is placed under sequestration provisionally;

"Registrar" shall mean the Registrar of the Resident Commissioner's Court;

"security" as distinguished from "marketable security" in relation to the claim of a creditor, shall mean property of the insolvent over which the creditor has a preferent right by virtue of any special mortgage, legal hypothec, pledge or right of retention, but shall not include property over which the Creditor has, or purports to have, a preferent right by reason of a mortgage or pledge of the general assets of the estate or of the general assets of any business belonging to the estate;

"sequestration order" shall mean any order whereby an estate is placed under sequestration or under provisional sequestration, when such order for provisional sequestration has not been set aside;

"Sheriff" shall include any Deputy-Sheriff; and "Messenger" shall include and Deputy-Messenger;

"special mortgage" shall not include any document which, having been executed after the taking effect of this Proclamation, purports to pledge as security for a debt movable property which has not been delivered to and retained by the pledge;

"trader" shall mean any person who carries on any trade, business, industry, or undertaking in which goods are sold, bought, exchanged, or manufactured for purpose of sale or exchange;

"trustee" shall mean the trustee in any estate under sequestration, and shall include a provisional trustee;

"unliquidated claim" shall mean a claim the amount of which has not been determined by agreement or by a judgment of a court or otherwise, and shall include a claim for damages or for an interdict.

### CHAPTER I.

#### SEQUESTRATION AND ATTACHMENT OF ESTATE.

##### A.—Voluntary Surrender.

3. The surrender of an estate may be accepted by the Court—

(a) upon the petition in writing of the debtor, or of his duly authorized agent, setting forth that the debtor is insolvent and tendering the surrender of his estate for the benefit of his creditors;

(b) upon the like petition of any person in whom is legally vested the administration of the estate of—

(i) any deceased debtor;

(ii) any debtor incapable of administering his estate;

(c) upon the like petition presented on behalf of a partnership estate and made by the greater number of the partners present or represented in the territory.

Before accepting the surrender, the Court may direct the petitioner or any other person to appear and be examined before the Court or before a commissioner appointed by the Court.



4. (1) Before presenting any such petition the petitioner shall cause due notice of surrender, as nearly as may be in the form "A" in the First Schedule of this Proclamation, to be published in the *Gazette* and in a newspaper circulating in the territory.

Every such publication shall be not more than twenty-one days, and not less than ten days, immediately prior to the date stated in the notice of surrender as the date for the hearing of the petition.

(2) The petitioner shall lodge in duplicate at the Office of the Master the debtor's schedules or statement of his affairs. If the debtor reside or be a trader carrying on business in any district where there is no Master's office, the petitioner shall also lodge a copy of those schedules at the office of the Assistant Commissioner of the district. Those schedules shall be open to the inspection of any creditor at all times during office hours for a period of fourteen days from a date to be mentioned in the notice of surrender and, upon the expiration of the notice, the Master shall transmit one set of the schedules to the Registrar.

(3) Those schedules shall be supported by a valuation under oath of the assets of the estate, and that valuation shall, if the Master so direct, be verified by an independent valuation made by a sworn appraiser or such other person as the Master may appoint. The schedules shall be framed as nearly as may be in the form "B" in the First Schedule to this Proclamation and shall contain the particulars and shall be verified by the affidavit thereby required.

5. The Court, on being satisfied that the provisions of the last preceding section have been complied with and that there are available assets of the estate to an amount sufficient to defray all such costs of sequestration as are by this Proclamation payable out of the free residue, may grant an order placing the estate under sequestration in the hands of the Master.

6. (1) After the publication as aforesaid in the *Gazette*, it shall not be lawful to sell any property of the estate which has been attached under writ of execution or other process in the nature of an attachment, unless the person charged with the execution of the same could not have known of the publication: Provided that the Master, if in his opinion any such property does not exceed two hundred pounds in value, or the Court, if it exceed that amount, may order the sale to be proceeded with and direct how the proceeds of the sale shall be applied.

The proceeds of any such property already sold at the date of the publication aforesaid shall be retained by the officer charged by law with the execution of legal process and shall not be paid out by him before the application for surrender of the Estate shall have been made and adjudicated upon, except upon an order of the Court or unless the notice of surrender has been withdrawn as in the next succeeding section is provided.

(2) After publication as aforesaid in the *Gazette*, the Master may upon the request in writing of any creditor who has to his satisfaction guaranteed the additional costs to be incurred, instruct the Sheriff or the Messenger to attach the estate of the debtor. If the notice of surrender be withdrawn, the attachment shall determine and the costs thereof shall be included in the costs of such notice, and all rights of or against the estate shall revive as if such notice had not been given.

(3) After publication as aforesaid in the *Gazette* the Master may—

- (a) appoint a *curator bonis* to take and have the custody of the estate and to exercise in regard to the conduct of any business or undertaking of the debtor such powers of control as may appear to the Master to be desirable; and
- (b) direct the Sheriff or the Messenger of an Assistant Commissioner's Court to attach the estate of the debtor as if it were an estate under sequestration.

(4) If the Court does not accept the surrender or if the notice of surrender is withdrawn as in the next succeeding section is provided, then as soon as the Master has certified that provision has been made for the payment by the debtor of all costs and expenses arising out of the exercise of the powers of sub-section (3) or of any other provision of this Proclamation or any amendment thereof, full control of the estate shall be restored to the debtor.

7. (1) No notice of surrender published in the *Gazette* may be withdrawn without the written consent of the Master.

(2) If it appears to the Master that such notice was published in good faith, and that there is good cause for its withdrawal, he shall certify his consent thereto on payment of the costs of the notice; and notice of the withdrawal and of the consent of the Master thereto shall thereupon be published by the debtor at his own expense in the *Gazette* and in the newspaper in which the notice of surrender appeared, and thereupon the notice of surrender shall be deemed to have been withdrawn.

(3) If, within fourteen days after the date specified in the notice of surrender as the date on which application will be made to the Court for the surrender of the estate, the debtor has failed to make the application, the Master may publish a notice in the *Gazette* at the expense of the debtor, cancelling the notice of surrender and as from the date of such publication the notice of surrender shall be deemed to have been withdrawn.

#### B.—Compulsory Sequestration.

8. A debtor commits an act of insolvency—

- (a) if, having any property within the territory, he departs therefrom, or being out of the territory remains absent therefrom, or departs from his dwelling or otherwise absents himself, with intent by so doing to evade or delay the payment of his debts;
- (b) if, having against him the sentence of any competent court, and being thereunto required by the officer charged with the execution of the same, he does not satisfy the same or point out to that officer sufficient disposable property to satisfy the same, or if it appears from the return made by such officer that he has not found sufficient disposable property;
- (c) if he makes any disposition of any of his property which has the effect of prejudicing his creditors or of preferring one creditor above another;
- (d) if he removes any of his property with intent to prejudice his creditors or to prefer one creditor above another;
- (e) if, except as provided in this Proclamation, he agrees or offers to assign his estate for the benefit of his creditors or any of them, or makes or offers to make any arrangement with his creditors for releasing him wholly or partially from his debts;

(f) if, having published a notice of surrender which has not been withdrawn in manner aforesaid, he omits to lodge his schedules as by law required, or lodges schedules containing material misrepresentations or omissions, or fails to present his petition to the Court within twenty-one days from the publication in the *Gazette* of that notice;

(g) if he gives notice to any of his creditors that he has suspended or is about to suspend payment of his debts or if he has suspended payment of his debts;

(h) if he makes default in publishing the notice required by section one hundred and nineteen or if his creditors have, in terms of section one hundred and twenty-two, declined the assignment of his estate;

(i) if, being a trader, he gives notice in the *Gazette* in terms of section thirty-three and is unable to meet the liabilities of his business;

(j) if, a notice of assignment having been published, he omits to lodge his schedules as by law required or his schedules do not fully disclose his debts or property and that omission is material.

9. (1) A petition for the sequestration of the estate of a debtor may be presented by a creditor (or by his duly authorized agent) having a liquidated claim of not less than fifty pounds, or by Creditors having liquidated claims in the aggregate of not less than one hundred pounds against the debtor, whether or not those claims are payable at the date of the petition.

(2) Every such petition shall be in writing and shall be filed in Court accompanied by—

(a) an affidavit of the petitioning creditor or his duly authorized agent, stating the grounds of his claim and the justice thereof, and whether he holds any security for his claim, and, if so, the nature and value thereof;

(b) a certificate of the Master or an Assistant Commissioner that due security has been found for payment of all fees and charges necessary for the prosecution of all sequestration proceedings until a trustee has been appointed, or if no trustee is appointed all fees and charges necessary for the discharge of the estate from sequestration.

(3) A copy of such petition, together with a copy of the affidavit aforesaid shall, before the presentation thereof, be lodged with the Master, who may report to the Court any facts ascertained by him which would appear to him to justify the Court in postponing the hearing or in setting aside any provisional order made by it or in dismissing the petition. A copy of such report shall be transmitted by the Master to the petitioning creditor or his duly authorized agent. The Court, on consideration of the Master's report and of any further affidavit by the petitioning creditor in answer thereto, may set aside the provisional order, dismiss the petition, or make such other order in the matter as in the circumstances appears to be just, and may anticipate the return day for any such purpose.

10. (1) If the debtor has committed an act of insolvency, or if the Court be of opinion that the estate is insolvent and that it would be to the advantage of the creditors that the estate be placed under sequestration, it may make an order placing the estate under provisional sequestration.

(2) It shall be competent for the Court to include in one sequestration order the estate of a partnership, and the separate estates of the partners; and every fact which is a ground for the sequestration of the estate of a partnership, shall be a ground for the sequestration of the separate estate of every partner: Provided that if the Court be satisfied that a partner is willing and able to satisfy the debts of the partnership within a time to be determined by the Court, the separate estate of that partner shall not be placed under sequestration by reason only of any fact forming a ground for the sequestration of the estate of the partnership.

(3) Nothing in this Proclamation contained shall affect the rights or liabilities under Roman-Dutch law of partners *en commandite* or anonymous or other partners who have not held themselves out as ordinary or general partners, or the rights and liabilities of partners under the Special Partnerships' Limited Liability Act, 1861, of the Cape of Good Hope, as of force in Basutoland.

11. (1) If the Court grant a provisional order of sequestration, it shall at the same time grant a rule *nisi* calling upon the debtor upon a day therein named to appear and to show cause why a final order of sequestration should not be made against his estate.

(2) If the debtor has been absent twenty-one days from his usual place of residence and of his business (if any) within the territory, the Court may direct that it shall be sufficient service of that rule if a copy thereof be affixed to the outer door of the buildings where the Court sits and inserted in the *Gazette*, or may direct some other mode of service.

(3) Upon the application of the debtor the Court may anticipate the return day for the purpose of discharging the order if twenty-four hours' notice of such application has been given to the petitioning creditor.

12. If, upon the hearing, the petitioning creditor fail to prove his claim or if he fail to prove the act of insolvency with which the debtor is charged, and the Court is not satisfied that the estate is insolvent or that it will be to the advantage of the creditors that the estate be placed under sequestration, it may set aside the provisional order and dismiss the petition or require further proof of the matters therein set forth and postpone the hearing for any reasonable time, but not *sine die*.

13. (1) The creditor upon whose petition a sequestration order is made shall, at his own cost, prosecute all the proceedings in the sequestration until the appointment of a trustee.

(2) His taxed costs shall be paid to him by the trustee out of the first funds of the estate available for that purpose under section eighty-two, but shall not be provable against the estate.

(3) In the event of a contribution under section ninety, the petitioning creditor, whether or not he proves a claim, shall have no smaller liability to contribute than if he had proved his claim as stated in the petition.

14. Whenever it appears to the Court that the petition was unfounded or vexatious, the Court may allow the debtor forthwith to prove any damage sustained by him by reason of the provisional sequestration and award him such compensation as it may deem fit; or the debtor may bring an action for damages so sustained by him.



15. Whenever a final order of sequestration has been made upon the petition of a creditor, the insolvent shall, within seven days of the service of that order, lodge with the Master his schedules or statement of affairs in duplicate framed as nearly as may be in the Form "B" in the First Schedule to this Proclamation, containing the particulars and verified by the affidavit thereby required.

No stamp duty shall be payable in respect of that affidavit.

#### C.—Attachment and Custody of the Estate.

16. (1) The Registrar shall without delay transmit—

- (a) a duplicate original of every sequestration order, and of every order amending or setting aside the same, to the Master;
- (b) a duplicate original of every provisional order of sequestration and, where there has been no provisional order, of every final order of sequestration, and of every order amending or setting aside the same—
  - (i) to the Sheriff of every district in which it appears that the insolvent resides or owns property;
  - (ii) to every Messenger of the Assistant Commissioner's Court by whom it shall appear that the property of the insolvent is under attachment.

Provided that when the value of an estate is under two hundred pounds and the Court so orders, the movable assets may remain in the custody of the insolvent or any other person upon such terms as to security as the Court may direct, and in that case it shall not be necessary to transmit the order of sequestration to any Sheriff or Messenger.

(2) Every officer shall register every order so transmitted to him and note on the order the day and hour when it is received.

(3) Upon receipt of any sequestration order the Master shall give notice thereof in the *Gazette*.

17. (1) Whenever it seems necessary or expedient to the Master, he may appoint a *curator bonis* to take and have custody of any estate under sequestration until the appointment of a trustee.

(2) Every such *curator bonis* shall find security to the satisfaction of the Master and thereafter may collect such debts and may sell or dispose of such property and carry on such business in connexion with the estate as the Master may authorize.

18. (1) As soon as the Sheriff has received the sequestration order he shall proceed by his Deputy to attach and make an inventory of the movable property of the estate capable of manual delivery and not in the lawful possession of a pledgee or under attachment by a Messenger, in the following manner:—

- (a) He shall take into his own custody all cash, share certificates, bonds, bills of exchange, promissory notes, deeds and other securities. He shall remit all such cash to the Master.
- (b) He shall leave all books of account, invoices, vouchers and business correspondence in a room or other suitable place properly sealed up.
- (c) He shall leave any other movable property in a room or other suitable place properly sealed up or appoint some suitable person, either the person in whose care it was at the time of attachment or some other person, to hold the same in his custody.
- (d) He shall leave with the person so appointed a copy of the inventory with a notice that the property has been attached by virtue of a sequestration order. That notice shall contain a statement of the offence constituted by section one hundred and forty-six and the penalty provided therefor.

(2) Any person interested in the estate may be present or may authorize some person to represent him when the Sheriff is making his inventory.

(3) The Sheriff shall forthwith report to the Master in writing the fact of the attachment, and shall transmit with the report a copy of his inventory and a list of any property which to his knowledge is in the lawful possession of a pledgee.

(4) Every Messenger shall transmit to the Master without delay an inventory of all property attached by him and known to belong to an insolvent.

(5) The Sheriff shall be entitled to fees and remuneration taxed by the Master according to Tariff A in the Second Schedule to this Proclamation.

## CHAPTER II.

### EFFECTS OF SEQUESTRATION.

#### Effect upon the Insolvent and his Property.

19. (1) The effect of a sequestration order shall be—

- (a) to divest the insolvent of his estate and to vest the same in the Master, unless and until a trustee be appointed, and, upon the appointment, to vest the estate in the trustee. The estate shall comprise—

- (i) all property of the insolvent at the date of the sequestration order, including property or the proceeds thereof which are in the hands of a Sheriff or Messenger under a writ of attachment;
- (ii) all property which the insolvent may acquire or which may accrue to him during the sequestration, except as provided in section twenty-one;

(b) to stay during the sequestration until the appointment of a trustee, all civil proceedings by or against the insolvent, save such as by this Proclamation may be instituted or continued by the insolvent for his own benefit or may be instituted or continued against the insolvent: Provided that, together with any claim which was the subject of legal proceedings against the insolvent, there may be proved before the sequestration;

(c) after the receipt by the Sheriff or Messenger of notice of the sequestration, to stop the execution of any judgment against the insolvent, unless the Court otherwise direct;

(d) to enable the insolvent, if in prison for debt, to apply to the Court for his release after notice to the creditor at whose suit he is so imprisoned.

(2) Subject to the provisions herein after in this section contained, the additional effect of a sequestration of the separate estate of one of two spouses who are not living apart under a notarial deed of separation or a judicial order of separation shall

be forthwith to vest in the Master unless and until a trustee is appointed, and, upon the appointment, to vest in the trustee all the property of the spouse whose estate has not been sequestrated (herein after referred to as the solvent spouse) as if it were property of the sequestrated estate, with power to deal with such property accordingly: Provided that—

(a) the trustee shall release such of the property of the solvent spouse as is shown—

- (i) to have been the separate property of that spouse immediately before the marriage to the insolvent; or
- (ii) to have been acquired by that spouse under a marriage settlement; or
- (iii) to have been acquired during the marriage with the insolvent by a title valid as against creditors of the insolvent spouse; or
- (iv) to be protected by section twenty-six of this Proclamation; or
- (v) to have been acquired with any such property or with income or proceeds thereof;

(b) except with the leave of the Court, the trustee shall not realize property which was ostensibly that of the solvent spouse until the expiry of six weeks' notice of his intention to do so, given to that spouse or to the agent of that spouse. Such notice shall also be published in the *Gazette* and a newspaper circulating in the territory, and shall call upon all separate creditors for value of that spouse to prove their claims as provided in paragraph (d) of this proviso;

(c) application may be made to the Court by the solvent spouse for an order releasing any property vested in a trustee under this sub-section or for an order staying the sale and releasing the property and, at any time before the distribution of the proceeds thereof, for an order declaring the applicant to be entitled to those proceeds; and the Court may make such order on the application as it thinks just;

(d) subject to any order made under paragraph (c) of this proviso any property of the solvent spouse realized by the trustee shall bear a proportionate share of the costs of the sequestration as if it were property of the insolvent spouse but the separate creditors for value of the solvent spouse having claims which could have been proved against the estate of that spouse if it had been the estate under sequestration shall be entitled to prove their claims against the estate of the insolvent spouse in the same manner and, except as in this Proclamation is otherwise provided, shall have the same rights and remedies and be subject to the same obligations as if they were creditors of that estate; and the creditors who have so proved shall be entitled to rank upon the proceeds of the property so realized according to their legal priorities *inter se* and in priority to the separate creditors of the insolvent spouse, but shall not be entitled to rank upon the separate assets of the insolvent spouse. But if any of the property of the solvent spouse is realized by virtue of paragraph (a) or (c) of this proviso the separate creditors of that spouse shall only be entitled to rank upon the proceeds of any property of the solvent spouse which has been realized by the trustee after the property so released, not being property which, by section twenty-six of this Proclamation, is protected against the creditors of that spouse and any property of that spouse acquired since the sequestration, has been excused. Before admitting any such creditor to share in the distribution, the trustee may require the creditor to lodge with him, within a period to be determined by the Master an affidavit, supported by such evidence as may be available, setting forth the result of such excussion and disclosing the balance of his claim remaining unpaid. He shall then be entitled to rank for dividend for that balance only: Provided that any creditor who has incurred costs in excussing the separate assets of the solvent spouse and has been unable to recover those costs from the proceeds of those assets, shall be entitled to rank for the amount thereof in addition to the amount of his claim as proved.

If, during the period determined by the Master, any such creditor has failed either to lodge with the trustee such an affidavit as aforesaid, or to excuss any separate property of the solvent spouse still available for the satisfaction of his claim, he shall be excluded from the distribution unless the Court otherwise orders.

(e) No creditor of the solvent spouse proving a claim as provided in paragraph (d) shall—

- (i) be entitled to vote at any meeting of creditors, but any direction of creditors which interferes with or injures the just rights of any creditor may be set aside on application to the Court; or
- (ii) be liable to make any contribution under section ninety.

(3) If the solvent spouse is carrying on business as a licensed trader, apart from the insolvent, or if it appears to the Court that the solvent spouse is likely to suffer serious prejudice through the immediate vesting of the property of that spouse in the Master or the trustee, and the Court is satisfied in either case that the solvent spouse is willing and able to make arrangements whereby the interest therein of the sequestrated estate will be protected without such a vesting, the Court, either when making the sequestration order or at some later date, but subject always to the immediate completion of such arrangement as aforesaid, may declare those assets or any of them to be excluded from the operation of the order for such period as it thinks fit. During that period the solvent spouse shall lay before the trustee the evidence available in support of his claim to such assets, and within that period the trustee shall notify the solvent spouse in writing whether or not he will release such assets in accordance with proviso (a) to sub-section (2) of this section. If the assets have not been so released, then upon the expiry of the period those assets shall vest, subject to the terms and conditions of this section, in the Master or in the trustee.

(4) In the event of application being made to the Court for the sequestration of the estate of the solvent spouse on the ground of an act of insolvency committed by that spouse since the vesting of his estate in the Master or the trustee of the estate of his



insolvent spouse, and in the further event of the Court being satisfied that the act of insolvency alleged in that application was due to such vesting, then if it appears—

- (a) that proceedings are being or, if necessary, will be taken under paragraph (c) of sub-section (2) for the release of any property of the solvent spouse; or
- (b) that any property of the solvent spouse has been released since the making of the sequestration order, and that the solvent spouse is now in a position to discharge his liabilities,

the Court may postpone the hearing of the said application or may make such interim order thereon as to it may seem just.

(5) Notwithstanding anything in sub-section (2) contained, the trustee may release and proceed to establish his title to any property alleged to be that of the solvent spouse as if sub-section (2) had not been enacted. Thereupon if the trustee establishes his title to any such property the creditors of the solvent spouse shall have no right in respect of that property or the proceeds thereof which they would not have had if sub-section (2) had not been enacted.

20. Every payment or other satisfaction in whole or in part of and debt or claim which was due or the cause of which arose before the sequestration shall, if made to the insolvent after such sequestration, be void, unless the debtor proves that the same was made in good faith and without knowledge of the sequestration.

21. (1) Save as is provided in this section, the insolvent shall not be able during the sequestration to enter into any contract without the consent in writing of his trustee.

(2) The insolvent shall be entitled for the support of himself and those dependent upon him, to follow any profession or occupation or to enter into any service, but he shall not, during the sequestration of his estate be entitled, without the consent in writing of the trustee, either to carry on, or to be employed or engaged in any capacity in, the business of a trader: Provided that any of the creditors or the insolvent may, if the trustee gives or refuses such consent, appeal to the Master, whose decision shall be final: Provided further that the insolvent shall keep a detailed record of all assets received by him from whatever source, and of all disbursements made by him in the course of his profession, occupation or employment and, if required thereto by the trustee, shall transmit to the trustee in the first week of every month a statement verified by affidavit of all such assets and of all disbursements whatsoever made by him. The trustee may inspect any such record at all reasonable times and may demand the production of reasonable vouchers in support of any item in such accounts and of the expenditure of the insolvent for the support of himself and those dependent upon him. Such moneys received or to be received by the insolvent in the course of his profession, occupation or other employment as in the opinion of the Master are not or will not be necessary for the support of the insolvent and those dependent upon him shall vest in and be paid by the employer to the trustee.

The insolvent shall be entitled to sue or be sued in his own name for any claim due to or against him under this sub-section, but no cession of his salary or earnings thereunder made either before or after the sequestration of his estate shall be of any effect so long as his estate is under sequestration.

(3) The insolvent shall also have the right in his own name to sue for and for his own benefit to receive any pension to which he may be entitled for work and services: Provided that, notwithstanding anything contained in any law governing the pensions of public servants, any portion of a pension paid to or for the benefit of an insolvent and those dependent on him, which in the opinion of the Master is not necessary for the support of the insolvent and those dependent on him, shall vest in the trustee.

(4) The insolvent shall also be entitled in his own name to sue for and receive for his own benefit any damages claimable by him by reason of any insult or personal injury, and he may continue in his own name and for his own benefit any action which may have been commenced by him in respect of such claim previous to the sequestration. All goods purchased with the moneys so received shall be free from the control of the trustee.

(5) The insolvent shall also be entitled in his own name to sue for and to receive for his own benefit, subject to the provisions of this section, the wages or reward for work or labour done or for professional services rendered by or on his behalf after the sequestration of his estate.

(6) The insolvent may also be sued in his own name for any delict committed by him after the sequestration of his estate.

(7) All moneys or property claimable by the trustee under this section may be recovered from the insolvent by writ of execution to be issued by the registrar upon the production to him of a certificate by the Master as to the amount so claimable.

22. If it appear to the Master that the value of all the movable property of an estate under sequestration vested in him does not exceed five hundred pounds and that it is in the interests of the creditors that such property or any part thereof be sold forthwith, he may direct a sale thereof to take place on such conditions and in such manner as he may think fit: Provided that, if he has received timely notice that any such property or any portion thereof is subject to any right of preference, it shall not be sold without the consent in writing of the person in whose favour such right of preference exists.

23. (1) The estate of the insolvent shall remain vested in the trustee until the insolvent is reinvested therewith pursuant to a composition as in section one hundred and five provided, or until the rehabilitation of the insolvent: Provided that any property which immediately before the rehabilitation was vested in the trustee shall remain vested in the trustee after the rehabilitation for the purpose of realization and distribution.

(2) On the death or removal of a trustee, the estate shall vest in the remaining trustee, if any; otherwise it shall vest in the Master.

#### *Effect upon Antecedent Transactions.*

24. (1) Every disposition of property not made for value may be set aside by the Court where such disposition was made by an insolvent—

- (a) more than two years before the sequestration of the estate, if it is shown that, immediately after the disposition was made, the liabilities of the insolvent exceeded his assets;
- (b) within two years of the sequestration of his estate, if the party claiming under or benefited by the disposition is unable to prove that, immediately after the disposition was made, the assets of the insolvent exceeded his liabilities:

Provided that if it is shown that the liabilities of the insolvent at any time after the making of the disposition exceeded his assets by less than the value of the disposition, it may be set aside only to the extent of such excess.

(2) A disposition of property not made for value shall not, if set aside under this section or if uncompleted by the insolvent, give rise to any claim in competition with the creditors of the insolvent.

25. No immediate benefit under a duly registered antenuptial contract given in good faith by a person to his wife or any child to be born of the marriage shall be liable to be set aside as a disposition without value, unless the sequestration of his estate took place within two years of the registration of that antenuptial contract.

An "immediate benefit" shall mean a benefit given by transfer, conveyance, delivery, payment, cession, pledge, or special mortgage of property completed within the three months immediately after the date of the marriage.

26. (1) When a person before or during marriage has effected in favour of or ceded to or for the benefit of his wife any policy or policies of life insurance, the policy or policies to an amount not exceeding two thousand pounds, together with any bonus claimable in respect thereof shall be excluded from her estate, if she become insolvent.

(2) When a person before or during marriage has in good faith effected in favour of or ceded to or for the benefit of his wife or child or both a policy or policies of life insurance at any time more than two years before the sequestration of his estate, the policy or policies, if they be not an immediate benefit within the meaning of the last preceding section whether to a wife or child or both, shall to an amount not exceeding two thousand pounds, together with any bonus claimable in respect thereof, be excluded from his insolvent estate, and if the insolvent is married in community of property, from the joint estate of the insolvent and his wife:

Provided that—

- (a) every policy which, at the time of the sequestration of the estate, was ceded or pledged to any person (other than the wife or child of the insured, or a trustee for such wife or child) shall not, to the extent of the cession or pledge, fall under the protection of this section;
- (b) when any policy is protected as to a part only, the person entitled to the unprotected part may apply to the company by whom such policy was granted for the issue of two policies, in the place of such policy, one for the unprotected part and the other for the protected part, in favour of the parties respectively entitled thereto; and the company shall thereupon issue such policies at the expense of the applicant, and the original policy shall thereupon become void;
- (c) for the purpose of this section, the expression "policy of life insurance" shall include a contract for securing an insurance endowment, bonus, or annuity upon the death of the insured, or on the expiration of any period, or on the happening of an event, as well as a fully-paid-up policy granted for the surrender or exchange of a policy of an equivalent value, but shall not include any other property acquired in consideration of the surrender, pledge, or cession of a policy.

(3) A policy of life insurance effected by a person on his own life which has endured for three years from the date of payment of the first premium shall not, during the lifetime of the insured, vest upon the sequestration of the estate of the insured or the assignment thereof under this Proclamation in the trustee or assignee of the estate: Provided that—

- (a) the protection afforded to a debtor under this section shall not exceed two thousand pounds together with any bonus claimable in respect thereof;
- (b) a policy which is pledged, to the extent to which it is pledged, and the proceeds of a policy which is surrendered shall not be protected by this section;

but nothing in this Proclamation contained shall be construed as preventing the insured from agreeing with an insurance company for the surrender or exchange of his existing policy to the extent to which it is protected by this section for a fully paid-up policy, and such last-mentioned policy shall be wholly protected.

(4) A policy protected under sub-section (3) of this section shall, to the extent to which it is so protected, not be available on the death of the insured for the payment of creditors as against the claims of—

- (a) the surviving spouse of the insured, if the marriage was in community of property, to one-half the protected portion of the policy; or
- (b) the surviving spouse or any parent, child or step-child of the insured, under the will of the insured; or
- (c) any parent or child of the insured by right of succession *ab intestato*.

(5) Notwithstanding anything contained in this section, if in any case it is proved that any policy was effected, or that the premiums upon any policy were paid, with intent to defraud creditors, the Court may order a sum equal to the premiums so paid, with interest thereon to be a charge upon the policy and to be payable out of the proceeds of such policy.

27. Every disposition of his property made by an insolvent within six months of the sequestration of his estate, which has had the effect of preferring one creditor above another, may be set aside by the Court if it be shown that immediately after the making of such disposition the liabilities of the insolvent exceeded his assets, unless it be shown by the person benefited by the disposition that the disposition was in the ordinary course of business and that it was not intended thereby to prefer one creditor above another.

Every disposition of property made under a power of attorney of the insolvent, whether revocable or irrevocable, shall for the purposes of this and the next succeeding section, be deemed to be made at the time at which the transfer or delivery or mortgage of such property takes place.

28. Every disposition of his property made by an insolvent at a time when his liabilities exceeded his assets with the intention of preferring one creditor above another, may be set aside by the Court.

A disposition which may not be set aside under this section is hereinafter called an undue preference.



For the purpose of this and of the last preceding section the expression "creditor" shall include a surety for the insolvent and a person in a position by law analogous to that of a surety.

29. (1) Every collusive dealing with his property between the insolvent and any other person, having the effect of prejudicing his creditors or of preferring one creditor above another, may be set aside by the Court.

The person so dealing collusively with the insolvent shall be liable for damages in respect of any loss thereby caused to the estate.

(2) Any person who was a party to such collusive dealing shall be liable to pay for the benefit of the estate, by way of penalty, such sum as the Court may adjudge, not exceeding the amount by which he would have benefited by such dealing if it had not been set aside; and if he be a creditor he shall also forfeit his claim against the estate.

Such penalty may be recovered in any action to set aside such dealing; and, if no such action has been instituted, the trustee or any creditor may recover such penalty by action.

30. The legal representative of an estate who has been a party to any collusive dealing referred to in the last preceding section shall be jointly and severally liable with the estate represented by him for the damages suffered by the insolvent estate by reason of such collusive dealing.

31. (1) Proceedings to set aside any disposition of property under section twenty-four, twenty-seven, twenty-eight or twenty-nine, or for the recovery of damages under section twenty-nine, shall be taken by the trustee. If the trustee refuse or neglect to take any such proceedings they may be taken by any creditor in the name of the trustee upon his indemnifying the trustee against all costs thereof.

(2) In any such proceedings the insolvent may be compelled to give evidence on a subpoena issued on the application of any party to the proceedings or he may be called by the Court to give evidence. When giving such evidence he may not refuse to answer any question on the ground that the answer may tend to incriminate him or on the ground that he is about to be tried on a criminal charge and may be prejudiced at such a trial by his answer.

(3) When any disposition of property is set aside under any of the said sections, the Court by which it is set aside shall declare the trustee entitled to recover any property alienated under the said disposition or in default of such property the value thereof at the date of disposition.

32. (1) No person who, in return for any disposition by the insolvent which is liable to be set aside under this Proclamation, has parted with any property or security that he held or who has lost any rights or recourse against third parties, shall, if he acted in good faith, be obliged to restore any money or property or other benefit received under such disposition, unless the trustee has indemnified him for parting with such security or for losing such rights, property, security, or recourse.

(2) Nothing in section twenty-four, twenty-seven, twenty-eight or twenty-nine contained shall affect the rights of any person acquiring property in good faith and for value from any person other than the insolvent.

33. (1) Every sale or alienation by a trader of any business or of the goodwill, book-debts, or assets of that business, other than sales of stock in the ordinary course of his trade, shall upon the sequestration of his estate within six months after the sale or alienation be void against the trustee, unless the seller had previously given one month's notice of such intended sale or alienation by advertisement twice in the *Gazette* and twice in a newspaper circulating in the territory.

(2) On the first publication of that notice in the *Gazette*, every liquidated claim against the business shall become payable at the option of the payee, subject in the case of such amounts as would otherwise not have become payable until some later date to a rebate of six per cent. per annum as from such later date.

34. If the insolvent, before the sequestration of his estate, has contracted to buy or receive in exchange any immovable property, transfer of which has not been effected in his favour, the trustee may elect to adopt or to abandon the contract. If the trustee does not make his election within six weeks after being required in writing to do so, the person entitled under the contract may apply by motion to the Court for cancellation of the contract and delivery of possession of the immovable property and the Court may make such order as it thinks fit: Provided that nothing in this section contained shall affect any concurrent claim against the estate for damages for non-fulfilment of the contract.

35. (1) When any person has, before the sequestration of the insolvent's estate, sold and delivered for cash to the insolvent any movable property and has not received full payment for the same, the seller may only reclaim that property if within ten days after the delivery thereof he give notice in writing to the insolvent or the legal representative of the estate that he reclaims that property: Provided that if the trustee dispute the seller's right thereto, the seller shall take proceedings to enforce that right within seven days after the trustee has given notice that he disputes such right.

The trustee shall not be obliged to restore that property, unless the seller refund all moneys received by him on account of the purchase price.

A sale shall be deemed to be for cash, unless the seller has expressly or tacitly agreed that any part of the purchase price shall not be claimable at the time of delivery of the property sold.

(2) Save as aforesaid, no seller shall be entitled to redelivery or retransfer of any property sold and delivered or transferred to the insolvent by reason only that the insolvent has failed to make due payment of the purchase price.

(3) When property belonging to any person other than the insolvent is in the possession of the insolvent at the time of the sequestration of his estate, that person shall give notice in writing thereof to the legal representative of the estate within fourteen days of the sequestration, and, if he fail to do so, shall lose all right to recover that property, if the same has in good faith been sold as part of the insolvent's estate, but he shall be entitled to recover the net proceeds of that property from the trustee.

36. (1) No lease entered into by the insolvent as lessee shall be determined by reason merely of the sequestration of his estate but the trustee may determine the same by notice in writing to the lessor, subject to a concurrent claim by the lessor against the estate for any damages he may have sustained by reason of the non-performance of the terms of such lease.

(2) If the trustee does not within three months of his appointment notify the lessor that he is prepared to continue the lease on behalf of the estate, he shall be deemed to have determined the lease at the end of such three months.

(3) The rent due under any lease so determined, from the date of the sequestration of the estate of the lessee to the determination of sale thereof by the trustee, shall be included in the costs of administration. The fact that a lease has been determined by the trustee shall deprive him of any right to compensation for improvement made during the period of that lease.

37. The sequestration of an estate shall be a complete discharge of the indenture of apprenticeship or articles of agreement of any person then apprenticed or articulated to the insolvent if that person give notice in writing to the trustee to that effect. Upon application made by that person the trustee may consent to his proving a concurrent claim against the estate for so much of any money paid by or for him to the insolvent as a fee as the trustee, subject to an appeal to the Court, thinks reasonable, regard being had to the amount of the fee, the unexpired term of the indenture or articles, and the other circumstances of the case.

### CHAPTER III.

#### MEETINGS OF CREDITORS.

##### *Meetings: How Convened and When.*

38. (1) Whenever the Master appoints any meeting of creditors as provided in this Chapter, he shall appoint it to be held at such time and place as appears to him to be most convenient for all parties concerned and may, if necessary, alter the time and place of any such meeting: Provided that notice of the alteration be given in the *Gazette*.

(2) All meetings of creditors held in the district wherein there is a Master's Office shall be presided over by the Master, and such meetings of creditors as are held in any other district shall be held in accordance with the direction of the Master, and presided over by the Assistant Commissioner of the district, or by an officer appointed by him for that purpose. Every such Assistant Commissioner or other officer shall certify the proceedings and transmit the same to the Master as soon as the meeting is closed. If the Assistant Commissioner has not presided at any meeting, the reason of his absence shall be recorded in the minutes by the presiding officer.

(3) Every meeting of creditors may be adjourned by the officer presiding thereat for good and sufficient reasons.

39. (1) On the receipt of an order placing an estate finally under sequestration the Master shall immediately convene a first meeting of creditors for the proof of claims and for the election of a trustee.

The Master shall give not less than ten days' notice of the time and place of the first meeting by advertisement in the *Gazette*.

(2) After the first meeting of creditors and the appointment of a trustee, the Master shall appoint a second meeting for the proof of claims against the estate, and for the purpose of receiving the trustee's report as to the affairs and condition of the estate, and of giving the trustee directions concerning the sale or recovery of any part of the estate or concerning any matter relating to the administration thereof. The trustee shall give, by advertisement in the *Gazette*, not less than ten days' notice of the second meeting and of the time and place thereof.

40. The trustee may at any time and shall, whenever he is thereto required by the Master or by creditors representing one-fourth in value of all claims proved against the estate, call a meeting of creditors, herein after called a general meeting, to receive directions concerning the sale or recovery of any part of the estate or concerning any matter or question relating to the administration thereof. At least ten days' notice of the time and place of the meeting and of the matters or questions to be submitted thereat shall be given by advertisement in the *Gazette*.

41. At any time after the second meeting the trustee shall call a special meeting for the proof of claims whenever he is thereto required by any person who at the same time tenders to the trustee all fees, costs and expenses incidental to such a meeting. At least ten days' notice of every special meeting and of the time and place thereof shall be given by the trustee by advertisement in the *Gazette*.

##### *Proof of Debts.*

42. (1) Every claim against an estate, not being conditional or unliquidated, which was due or the cause of which arose before the sequestration of the estate, may be proved by the creditor or by any person authorized thereto at any time before the final distribution of the estate.

(2) It shall be the duty of a trustee after examining the books of an insolvent to send notices of the insolvency to any creditor whose name is on the books, who has not proved a claim against the estate, in order to give him an opportunity to do so.

(3) Every such claim shall be proved at a meeting of creditors to the satisfaction of the presiding officer who shall admit or reject the same. Every such claim shall be proved by affidavit as nearly as may be in the form "C" or "D" in the First Schedule to this Proclamation and that affidavit may be made by the creditor or by any person fully cognizant of the claim, who shall state in the affidavit his means of knowledge and shall set forth, subject to the provisions of section seventy-seven, the nature and particulars of the claim, whether the same was acquired by cession or purchase after the institution of proceedings by which the estate was placed under sequestration, and if the creditor hold security therefor, the nature, particulars and value of that security. The vouchers and documents in support thereof and the affidavit or a copy thereof shall be delivered at the office of the presiding officer not less than twenty-four hours before the advertised time of the meeting at which it is intended to prove the claim failing which the claim shall not be admitted to proof at that meeting, unless the presiding officer be of opinion that through no fault of the creditor he has been unable to deliver such evidences of his claim within the prescribed period.

Any document by this section required to be delivered before the meeting at the office of the presiding officer shall be open for inspection at such office during office hours free of charge by any creditor, the trustee or the insolvent.

(4) Notwithstanding anything in this Proclamation contained if a claim against an estate is in respect of liability for payment on open account for goods sold and delivered after the taking effect of this Proclamation such a claim shall not be admitted to



proof unless there have been dispatched to the debtor, not later than three months after the opening of the account, detailed statements thereof, and thereafter at intervals not exceeding three months detailed statements of account from the date up to which the last statement was dispatched.

(5) The presiding officer or the trustee may at any meeting examine any creditor seeking to prove a claim against the estate, and the presiding officer may for that purpose administer an oath to him. The Master, at the request of the trustee, may require any creditor who has proved a claim to submit to examination in regard thereto by the trustee or his agent, and for that purpose the Master or an Assistant Commissioner authorized by him may administer an oath to the creditor.

43. (1) Every claim proved against the estate and the vouchers and documents in support thereof shall be delivered to the trustee by the presiding officer, and it shall be the duty of the trustee forthwith to examine all available books, documents, and vouchers in connexion with every claim, and to satisfy himself that the estate is indebted to the creditor in the amount of the claim.

(2) If he dispute the claim he shall report to the Master in writing his reasons for so doing and the Master, after notice to the creditor, may reduce or expunge the claim, but if he do so shall notify the creditor in writing forthwith.

(3) No account already credited and no dividend already paid shall be disturbed by reason of anything done under this section.

44. Where there has been before the sequestration of the estate a right of compensation or set off between the insolvent and any creditor, that creditor shall annex to his claim and affidavit, so far as may be possible, a detailed statement of the mutual indebtedness of himself and the insolvent, and shall prove and rank in respect of such balance as may be found to be in his favour: Provided that a creditor claiming the benefit of the set off did not, at the time when the right of set off accrued, know of

- (a) any act of insolvency upon which the estate was subsequently sequestrated; or
- (b) the intention of the insolvent to surrender his estate; or
- (c) the fact that the insolvent's assets were insufficient to discharge his liabilities.

45 (1) No right of retention or tacit hypothec shall give any preference to any claim, unless the creditor claiming the right of retention or tacit hypothec has set forth the particulars thereof in the affidavit made in proof of his claim or in any amendment of that affidavit which he may make.

(2) No creditor shall lose the benefit of any right of retention or tacit hypothec by delivering to the trustee on demand the property subject to such right of retention or tacit hypothec, if, when delivering the property, he notifies the trustee, in writing, of his rights and in due course proves his claim against the estate.

On demand the creditor shall deliver the property to the trustee: Provided that no person shall be entitled to any preference by virtue of the retention of any books of account belonging to the insolvent or having reference to his business or affairs.

46. A creditor whose claim is dependent upon a condition may prove that claim in the manner set forth in section forty-two, subject to the following provisions:—

- (1) If the condition be of such a nature that it will be fulfilled, if at all, within a year of the sequestration, that creditor may prove his claim, but may not vote in respect thereof. Any dividend awarded on such a claim shall be paid by the trustee to the Master, who shall pay the same to the creditor, if the condition has been fulfilled, and otherwise shall return the same to the trustee for distribution among the other creditors.
- (2) If the condition be not such as is described in sub-section (1), the creditor may call upon the trustee to place a value upon the claim and the trustee shall lay before the presiding officer a certificate of his valuation of the claim with the reasons therefor, and the presiding officer shall admit that claim to proof at such value as he may determine or may reject the same: Provided that when the condition has been fulfilled, the creditor may prove his claim as if it had been unconditional.

47. When the estate of a partnership and the estate of a partner are under sequestration simultaneously, the creditors of the partnership shall not be entitled to prove claims against the estate of the partner nor the creditors of the partner against the estate of the partnership; but the trustee of the partnership shall be entitled to any balance of the partner's estate that may remain over after satisfying the claims of the creditors of the partner's estate in so far as the same is required to pay the partnership's debts and the trustee of the partner shall be entitled to any balance of the partnership's estate that may remain over after satisfying the creditors of the partnership estate, so far as that partner would have been entitled thereto, if he had not been insolvent.

48. (1) When a debt due by the insolvent was payable before the sequestration and interest was payable thereon, the claim shall consist of the principal sum with arrears of interest to the date of sequestration added thereto.

(2) When a debt which was owing by the insolvent before the sequestration is payable after the sequestration, the claim shall consist of the amount of that debt with a rebate at the rate of six per cent. per annum from the due date to the date of sequestration.

49. Every claim which has been proved against an estate may be withdrawn by letters addressed to the Master and to the trustee and the latter shall in writing notify the other creditors of the withdrawal: Provided that the creditor so withdrawing his claim shall remain liable for his pro rata share to the date of the receipt of the withdrawal by the trustee of costs of sequestration, and of such other costs as the trustee is entitled to incur without the authority of a resolution of creditors or has already incurred in pursuance of such a resolution: Provided further that a creditor so withdrawing shall not be entitled, if he prove again, to share in the distribution of the estate until all the other creditors have been paid in full.

#### *Voting at Meetings. Recording Resolutions.*

50. (1) Save as in this section and in section forty-six is provided, every creditor shall be entitled to vote at any meeting of creditors as soon as his claim has been proved against the estate.

(2) The vote of any creditor shall be reckoned according to the value of his claim, except when it is provided in this Proclamation that votes shall be reckoned in number.

The vote of a creditor shall in no case be reckoned in number, unless his claim be of the value of at least thirty pounds.

(3) No creditor may vote in respect of any claim acquired by cession or purchase by him from any person after the institution of the proceedings by which the estate was placed under sequestration.

(4) Any creditor holding any security shall, except in the election of a trustee and upon any question affecting his security, only be entitled to vote in respect of the balance of his claim after deducting—

- (a) if he has realized his security, the net proceeds thereof; or
- (b) if he has not realized his security, the value placed thereon by him when the debt was proved.

51. (1) A creditor may vote upon all questions affecting the administration of the estate, but may not vote in regard to questions affecting the distribution, except for the purpose of directing the trustee to contest, compromise or admit any claim against the estate.

Every question upon which a creditor may vote shall be determined by the majority of votes, and every creditor may vote either personally or by an agent specially authorized thereto or acting under a general power of attorney.

(2) Every resolution of creditors and the result of the voting thereon as declared by the presiding officer shall be recorded upon the minutes of the meeting and shall be binding upon the trustee in so far as it is a direction to him; and no other direction of creditors shall be binding upon him.

Any direction by creditors which interferes with or injures the just rights of any creditor who holds any preferent right or lien upon any part of the insolvent estate, may be set aside on application to the Court by any person interested.

(3) Nothing in this section contained shall be construed as authorizing the creditors to give directions, by resolution, to the trustee, as to the employment of a particular attorney or auctioneer but the creditor may, by resolution, recommend the employment of a particular attorney or auctioneer and if the recommendation is not accented by the trustee, any creditor may submit the matter to the Master whose decision, after hearing the trustee, shall be final.

#### *Election of Trustee.*

52. (1) At the first meeting of creditors a trustee or trustees, not exceeding two in number, shall be elected by a majority in number and value of the votes of the creditors.

(2) If this result be not attained, then—

- (a) the person who has obtained a majority in number, when no other person has obtained a majority in value, or has obtained a majority in value, when no other person has obtained a majority in number, shall be deemed to be elected sole trustee;

- (b) when one person has obtained a majority in value and another a majority in number, both such persons shall be deemed to be elected trustees, and if either person decline a joint trusteeship the other shall be deemed to be elected sole trustee.

(3) For the purpose of this section "majority in number" means a greater number of votes than is given to any other competitor and "majority in value" means votes representing a greater value than the votes given to any other competitor.

(4) Where two trustees have been appointed, every act in law connected with the estate shall be done by both of them, but each shall be jointly and severally liable for every such act.

53. If at any meeting appointed for the purpose of electing a trustee, no trustee be elected and the estate be not vested at the time of that meeting in a provisional trustee, the Master may appoint a trustee or apply, at the cost of the estate, to the Court by petition to set aside the sequestration and the Court may make such order thereon as it thinks fit.

#### *Examination of the Insolvent.*

54. (1) The insolvent shall attend the first and second meetings of creditors and every adjournment thereof, unless he has previously obtained written permission from the presiding officer to absent himself. He shall attend any other meeting, if required so to do by a written notice from the trustee. For the purpose of securing the attendance of the insolvent or of any such person as may be examined under the provisions of the next succeeding section at any meeting mentioned in this section, and for the purpose of securing the production of any books or other documents at such meeting, the presiding officer shall have all the powers vested in the Court or a commissioner by section one hundred and thirty-one, for the purpose of securing the attendance of a person duly summoned under section one hundred and twenty-nine.

(2) The presiding officer may summon for examination under section fifty-five any person who in his opinion may be able to afford any information as to the affairs of the insolvent.

55. (1) At any such meeting as is mentioned in section fifty-four, the officer presiding, the trustee or any creditor or an agent of any of them may examine, and take the evidence on oath of the insolvent, his wife (or her husband, as the case may be) any relative of the insolvent within the fourth degree of consanguinity or affinity, any person who was, within the two years preceding the sequestration of the estate, in the employment of the insolvent, any person who has during that period or since the sequestration had any dealings whatsoever with the insolvent or taken any part in any transactions affecting the insolvent or the insolvent's affairs, and any such person as is referred to in sub-section (2) of section fifty-four on the matters specified in paragraphs (a), (b) and (c) hereof: Provided that the presiding officer may disallow any question which appears to be irrelevant or which tends to prolong the examination unnecessarily, and shall disallow any question falling outside matters described in this sub-section.

- (a) Concerning all matters relating to the insolvent's trade dealings, or estate, wherever the same may be situate or which may tend to disclose the existence of any assets, or any secret alienation, or concealment of his estate, or any preference given by the insolvent, or any other transaction which, under this Proclamation, may be set aside by the trustee;



- (b) concerning all books of account, entries, documents, papers, or vouchers, relating or suspected of relating to the business of the insolvent or the administration of the estate, whether or not the same have been produced at such examination;
- (c) concerning the cause of the insolvency, the state of the insolvent's affairs, the nature and condition of his employment or occupation, the amount of his income or profits since the date of the sequestration order, the acquisition by him of any property or rights to property since the date of the sequestration order, or his prospect of acquiring any property in the future.

The presiding officer shall cause the statement of any person giving evidence under this section to be reduced to writing and to be read over to and signed by him, and shall certify the same and annex it to the proceedings in the estate: Provided that any statement by a person who may be required to give evidence under this section which has been made to the trustee, and reduced to writing, may be read over to that person when giving such evidence and if then adhered to and signed by him, shall be certified by the presiding officer and annexed to the proceedings, and shall be deemed to be evidence given under this section.

Any such statement aforesaid shall be admissible in evidence in any proceedings instituted against the person making it.

(2) A person examined under sub-section (1) shall not be entitled at any such examination to refuse to answer any question upon the ground that the answer would tend to incriminate him.

(3) If the person examined under sub-section (1) refuses to answer any question put to him under this section, or does not answer the question to the satisfaction of the presiding officer, the presiding officer shall have the like power and protection as a commissioner under section one hundred and thirty-two and one hundred and thirty-four, and such person shall have the right of appeal described in section one hundred and thirty-three; such person may be represented at such examination by counsel or attorney.

(4) Any person summoned to attend a meeting of creditors for the purpose of being examined under this section (other than the insolvent or his wife or her husband, as the case may be) shall be entitled to be paid as witness fees out of the estate such amount as would be paid if such person were a witness in any civil proceedings.

56. If it appear from any such statement that there are reasonable grounds for suspecting that the insolvent has been guilty of any offence against this Proclamation, the Master shall transmit the said statement, or a duly certified copy thereof, and all necessary documents to the Resident Commissioner in order that such criminal proceedings may be instituted as the Resident Commissioner may think fit. When any such statement has been made otherwise than at a meeting at which the Master presides, the presiding officer, when transmitting the minutes of proceedings to the Master, shall direct the attention of the Master to what appear to him to be reasonable grounds for suspecting that the insolvent has been guilty of an offence under this Proclamation.

For the purposes of this and the last two preceding sections the insolvent shall include the legal representative of an estate before sequestration.

#### CHAPTER IV.

##### LIQUIDATION AND DISTRIBUTION OF ESTATE.

##### *Appointment and Removal of Trustees and Provisional Trustees.*

57. (1) Before a trustee has been appointed to an estate under sequestration, or when a trustee has been removed or is not acting as such, the Court, on the petition of the Master or a creditor, may appoint a provisional trustee who shall hold office until the appointment of a trustee by the Master.

(2) A provisional trustee shall find security to the satisfaction of the Master and shall, immediately after his appointment, lodge with the Master an inventory, under oath, of the estate and a valuation thereof, and, if the Master so direct, that valuation shall be made by a sworn appraiser or by such other person as the Master may appoint.

(3) A provisional trustee shall have the powers and be subject to the duties of a trustee, as provided in this Proclamation, except that without the authority of the Court or for the purpose of obtaining such authority he shall not bring or defend any legal proceedings and that without the authority of the Court or the Master he shall not sell any portion of the estate.

(4) When a meeting of creditors for the election of a trustee has been held and no trustee has been elected, and the estate is vested in a provisional trustee, he shall, subject to a further appointment by the Master and on his finding such additional security as the Master may require, have all the powers and be subject to all the duties of a trustee under this Proclamation.

58. Any of the following persons shall be disqualified from being elected a trustee:—

- (a) Any insolvent;
- (b) any person related to the insolvent by consanguinity or affinity within the third degree;
- (c) a minor or any other person under legal disability;
- (d) any person who resides outside the territory;
- (e) any person having an interest opposed to the general interest of the creditors of the insolvent estate;
- (f) a former trustee disqualified under section sixty-six;
- (g) any person declared by section fifty-nine to be incapacitated for election as trustee, while any such incapacity lasts, or any person removed by the Court on account of misconduct from an office of trust;
- (h) a company or corporation;
- (i) any person who has at any time been convicted (whether in Basutoland or elsewhere) of theft or fraud.

59. The Court, on the application of any person interested, may, either before or after the appointment of a trustee, declare that the person appointed or proposed is disqualified from holding the office of trustee, and, if he has been appointed, may remove him from office and if it so think fit, may declare him incapable of being elected trustee under this Proclamation during the period of his life or such other period as it may determine, if—

- (1) he has accepted or offered or agreed to accept from any auctioneer, agent, or other person, employed on behalf of the estate, any share of the commission or remuneration of or any other benefit whatever from that auctioneer, agent, or other person; or

- (2) in order to obtain or in return for the vote of any creditor or in order to exercise any influence upon his election as trustee he has—

- (a) procured or been privy to the wrongful omission of the name of a creditor from any list or schedule by this Proclamation required; or
- (b) directly or indirectly given or offered or agreed to give to any person any consideration; or
- (c) offered or agreed with any person to abstain from investigating any previous transactions of the insolvent; or
- (d) been guilty of or privy to the splitting of claims for the purpose of increasing the number of votes.

60. The Court, upon the application of the Master, the trustee himself, or any other person interested may remove any trustee on any of the following grounds:—

- (a) His desire to resign his office, subject to the production of the certificate mentioned in section sixty-one, absence from the territory, ill-health, or any fact tending to interfere with the performance of his duties as trustee;
- (b) insolvency or other legal disability;
- (c) misconduct as trustee, including any failure to satisfy a lawful demand of the Master or a Commissioner appointed by the Court, or to perform any of the duties imposed upon him by this Proclamation;
- (d) illegality in his election or appointment, or disqualification for any of the reasons mentioned in section fifty-eight.

The Court may remove any provisional trustee on any ground that it may deem sufficient.

61. (1) Every trustee desiring to resign his office may, after notice in the *Gazette*, apply to the Court by petition for his removal. He shall at the same time lay before the Court a certificate from the Master to the effect that he has rendered an account of his administration of the insolvent estate until the date of his application, and that the Master is not aware of any reason why his application for removal should not be granted.

(2) Every trustee intending to absent himself from the territory for a longer period than one month shall give notice in the *Gazette* of such intention, stating in that notice the name, occupation, and address of the person who will act for him during his absence, and the period of his absence and every trustee intending to absent himself from the territory for a longer period than one week shall notify the Master in writing of such intention: Provided that the Master or any person interested in the estate may apply to the Court for the removal of the trustee on the ground that the interests of the estate will be prejudiced by his absence, and the Court may make such order upon the application as it deems right.

(3) Every trustee who has been removed by the Court on his own application shall give notice thereof in the *Gazette*; the Master shall in like manner give notice of the removal of any trustee upon the application of any other person.

62. Upon the removal of a trustee the Court may, in place of appointing a provisional trustee as herein before provided, order a new trustee to be elected and at the same time may make such order for the preservation of the estate in the meanwhile as it may deem fit. A new trustee shall be entitled to demand from his predecessor an account of his administration up to the date of his removal.

63. Upon the death or removal of a trustee, or of a provisional trustee having the full powers of a trustee, if there be no trustee or provisional trustee left in office, the Master shall, either himself or upon the request of any person interested in the estate, convene a meeting for the purpose of electing a new trustee in the manner provided in section fifty-two.

64. (1) If the decision of the presiding officer as to the election of a trustee has been brought under review by the Court, the election shall be subject to confirmation by the Court; otherwise the election shall be subject to confirmation by the Master. Upon the trustee finding security to the satisfaction of the Master and paying all fees due, and choosing *domicilium citandi et executandi* within the jurisdiction of the Court, if he be not resident within the same, the Master shall appoint the trustee by delivering to him a certificate of appointment, which shall be of full force and effect throughout the territory. The Master shall allow against the estate such costs of finding security as he considers reasonable.

(2) If the trustee who has been elected is ineligible or fails to find security to the satisfaction of the Master within seven days after his election or within such further period as the Master having regard to all the circumstances may allow, the Master shall declare that no trustee has been elected and shall himself nominate and appoint a trustee: Provided that when a trustee, who has given security to the Master, has accounted to the Master by means of an account supported by vouchers, as by this Proclamation required, for any assets the value of which was taken into account by the Master when the security was assessed, the Master upon that account being confirmed and filed with all vouchers and acquittances may, if he be satisfied that the security thereafter remaining will be sufficient to cover the value of the assets remaining to be accounted for, reduce the amount of security by any sum not exceeding the value as it appeared to him when the security was assessed of the assets brought to account as aforesaid.

(3) On receipt of the certificate aforesaid the trustee shall notify his appointment and full address by advertisement in the *Gazette*.

(4) The Master, wherever it appears to him to be desirable may appoint a person not disqualified from holding the office of trustee, to be co-trustee with the trustee or trustees of any estate under sequestration. When so appointed all the provisions of this Proclamation and any amendment thereof conferring powers and rights or imposing duties and obligations on a trustee shall apply to such co-trustee. In the event of any difference arising between such a co-trustee and the other trustee or trustees as to the administration of the estate, the Master may, if the difference is referred to him, determine the matter.

(5) The Master may similarly determine any difference arising between any trustees.

##### *Duties and Powers of Trustee in the Liquidation of the Estate.*

65. (1) The trustee shall open an account in the name of the estate with a bank within the territory or, with the written consent of the Master, with a bank within the Union of South Africa, and shall deposit to the credit of the estate from time to time all sums received by him on behalf of the estate. All cheques or orders which may be drawn upon that account shall contain the name of



the payee and the cause of payment and shall be drawn to order and signed by every trustee of the estate or by his duly authorized agent.

(2) Immediately after his appointment the trustee shall open a book wherein he shall enter from time to time a statement of all moneys, goods, books, accounts and other documents received by him on behalf of the insolvent's estate.

The Master may at any time in writing order the trustee to produce the said book for inspection, and every creditor who has proved his claim against the estate and, if the Master so order, every person claiming to be a creditor may inspect the said book at all reasonable times.

(3) Within fourteen days after his appointment the trustee shall give to the Master notice in writing of the bank and branch thereof with which the said account has been or will be opened, and shall not, without the written permission of the Master, remove that account from that branch.

(4) The Master and any surety for the trustee or any inspector appointed by such surety, shall, at all times, be entitled to the same right to information in regard to that account as the trustee himself possesses, and to inspect and examine all vouchers in relation thereto, whether in the hands of the bank or of a trustee.

(5) The Master may, after notice to the trustee direct at any time, by letter addressed to the manager of the said branch, that the trustee shall not be permitted to operate on the said account and that the said manager shall pay over the balance thereof to the Master; and the said manager shall carry out any such direction.

66. (1) Every trustee who, without good and lawful cause, retains any money belonging to the estate exceeding twenty pounds, or knowingly permits his co-trustee to retain such a sum of money longer than the earliest day after its receipt on which it was possible for him or his co-trustee to pay that money into a bank, or who uses or knowingly permits his co-trustee to use any assets of the estate except for the benefit of the estate shall, in addition to any other penalty to which he may be liable, be liable to pay into the estate an amount not exceeding double the amount so retained or double the value of the assets so used.

The amount which the trustee is so liable to pay may be deducted out of any claim that the said trustee may have against the said estate or may be recovered by action in any competent court at the instance of his co-trustee, the Master or any creditor.

(2) Every person who, being a trustee, himself becomes insolvent while indebted to the insolvent estate as in sub-section (1) is specified, for any sum of money belonging to the estate, shall be forever incapable of holding the office of trustee, provisional trustee, liquidator, curator dative, tutor dative, *curator bonis*, or executor dative.

67. Every person who, having instituted legal proceedings against the insolvent which were suspended by the sequestration, intends to continue the same and every person who intends to institute legal proceedings for the purpose of enforcing any claim against the estate which arose before the sequestration, shall, within three weeks after the first meeting of creditors, give the trustee not less than three weeks' notice in writing before continuing or commencing those proceedings; in default thereof the proceedings shall be considered to be abandoned, unless the Court find that there was a reasonable excuse for the default and allow the proceedings to continue or be commenced on terms or otherwise, as it may think fit.

68. (1) The trustee may take legal advice on any question of law affecting the administration or distribution of the estate and may with the consent of the Master employ an attorney or agent for the conduct or defence of legal proceedings on behalf of or against the estate, and all costs incurred under this section since the commencement of the sequestration as well as costs awarded against the estate in those legal proceedings, shall be included under the costs of administration.

(2) The costs incurred in obtaining a sequestration order shall be taxed according to the tariffs used in the Court, unless the Court otherwise order.

(3) All costs which are not the subject of taxation by the taxing officer of the Court shall be taxed by the Master.

69. If it appear to the Court that any attorney or agent has, with intent to benefit himself, improperly advised the institution, defence or conducting of legal proceedings or has incurred any unnecessary expense therein, the Court may order the whole or part of the expense thereby incurred to be borne by that attorney or agent personally.

70. Immediately after his appointment the trustee shall proceed to recover (if need be by legal proceedings) the debts due to the estate, and for that purpose and in the same notice in which he advertises his appointment as trustee, he shall call upon all persons indebted to the estate to pay their debts at such reasonable time and place as he may in that notice appoint.

71. (1) At any time before the second meeting of creditors the trustee may allow the insolvent such moderate sum out of the estate as may appear to the trustee to be necessary for the support of the insolvent, his wife and minor children.

(2) The amount of such allowance to the insolvent and the grounds of making the same shall forthwith be reported in writing to the Master by the trustee and shall be subject to review by the Court upon the application of the Master or any person interested.

72. (1) At any time before the second meeting of creditors the trustee shall, if satisfied that any movable property of the estate ought forthwith to be sold, recommend to the Master in writing that any such property be sold and shall state his reasons for such recommendation.

(2) The Master, if satisfied that any such property ought to be sold, shall authorize its sale, and the same shall thereupon be sold on such conditions and in such manner as the Master may direct: Provided that, if the Master has notice that any such property or a portion thereof is subject to a right of preference, he shall not authorize the sale, unless the person entitled to such right of preference has given his consent thereto in writing or the trustee has guaranteed that person against loss by such sale.

73. At any time before the second meeting of creditors the trustee may carry on or discontinue any part of the business of the insolvent in so far as may be necessary for the beneficial winding up thereof: Provided that, if he carry on the business it shall not be competent for the trustee as between himself and the creditors to charge the estate with the cost of any goods purchased by him, unless the same have been necessary for the immediate

purpose of carrying on that business and there are funds available for payment of the same, after providing for the cost of sequestration.

74. At the second meeting of creditors the trustee shall report to the creditors upon and receive their directions as to the following matters:—

- (a) Any allowance he has made to the insolvent and the reasons therefor;
- (b) any business he may have been carrying on for the estate, any goods he may have purchased for that business, and the result of so carrying on that business;
- (c) any legal proceedings by or against the estate which were suspended by the sequestration or may be pending or threatened;
- (d) any such matters or questions as are referred to in sections thirty-four and thirty-six;
- (e) any matter in regard to the administration or realization of the estate requiring the direction of the creditors.

Thereafter the trustee may exercise his discretion in those matters, in so far as the creditors have failed to give him directions: Provided that, in the absence of authority from the creditors, he may only purchase for cash goods for any such business out of the takings of that business, and as between himself and the creditors he shall be personally liable for the costs of any legal proceedings instituted or defended by him without direction from the creditors in so far as the estate is unable to meet the same, unless the Court otherwise order.

75. At the second meeting of creditors the trustee shall report fully as to the circumstances of the estate, and more especially as to—

- (a) the assets and liabilities thereof;
- (b) the cause of insolvency;
- (c) the books of the insolvent, stating whether he appears to have kept a proper record of his transactions and, if not, in what respect the record is defective or irregular;
- (d) the transactions of the insolvent previous to the sequestration, and what reason (if any) there is for supposing that he has been guilty of any contravention of this Proclamation.

76. (1) Save as in section seventy-two or seventy-seven is provided, the trustee shall proceed after the second meeting of creditors, and not before, to sell all the property in the estate in such manner and upon such conditions as the creditors at the second or any subsequent meeting may direct. In default of directions by the creditors the trustee shall sell the property by public auction or public tender. A sale by public auction or public tender shall be after notice in the *Gazette* and after such other notices as the Master may direct and in the absence of directions from creditors as to the conditions of sale, upon such conditions as the Master may direct.

When the sale is by public tender, each tender shall be transmitted by the tenderer in duplicate in a sealed cover to the Master, or if the Master so directs, to an Assistant Commissioner specified by him. The Master or such Assistant Commissioner shall keep each tender so sealed until the expiry of the period for the lodging of tenders. He shall then open the sealed covers and, in the case of the Master, file one duplicate of each tender or, in the case of the Assistant Commissioner, transmit one duplicate of each tender to the Master, who shall file it. The Master or the Assistant Commissioner (as the case may be) shall forthwith transmit the other duplicate of each tender to the trustee. The trustee or his representative shall have the right to be present when the Master or the Assistant Commissioner opens the tenders.

In the case of a marketable security the creditors may give directions for the sale thereof through a broker without publication. Every other sale by private treaty shall be for an amount not less than an amount fixed by the creditors in the resolution authorizing the sale; and such sale shall not otherwise be complete until ratified by a resolution of the creditors.

(2) From any such sale there shall be excepted all outstanding accounts and other rights of action which shall subject to the provisions of section seventy-four be realized in the ordinary course of business, unless the creditors otherwise direct.

(3) From the sale of the movable property shall be excepted the wearing apparel and bedding of the insolvent and the whole or such part of his household furniture and tools as the creditors determine and the insolvent shall be allowed to retain for his own use any property so excepted from the sale.

(4) The insolvent shall, if he is at any time before the second meeting of creditors called upon by the trustee, assist him to the best of his ability in collecting, taking charge of, and realizing the assets in the estate: Provided that the trustee shall, during the period of such assistance, pay to the insolvent out of the estate such allowance in money or in kind as may appear to the Master to be necessary for the support of the insolvent, his wife (or her husband as the case may be) and minor children.

(5) The trustee or the auctioneer employed to sell, the trustee's or the auctioneer's spouse or partner, or an employer or employee or agent of the trustee or of such auctioneer shall not be able to acquire by purchase or otherwise any property of the estate unless the acquisition is confirmed by an order of the Court.

(6) Nothing in this section shall be construed as affecting the rights of any person who acquires title in good faith and for value from any person described in sub-section (5); but the trustee shall be personally liable to the creditors for any loss sustained by them by reason of his wrongful action in selling any property of the estate.

77. (1) Every creditor who holds as security for his claim any movable property shall, before the second meeting of creditors, give notice in writing of that fact to the Master, and to the trustee if appointed, and, when he has given such notice, he shall be entitled, at any time before that meeting to realize in manner and on the conditions provided in this section the movable property which he so holds.

(2) He shall, as soon as possible after he has realized such property, prove the claim thereby secured but without placing a value on the security, but he shall attach to the proof a statement of the proceeds of the realization and of the facts on which he relies for any preference.

(3) If he does not elect to realize such property, he may prove his claim and place a value on such security as provided in section forty-two.



(4) If after the expiry of four weeks after the said second meeting, the creditor has not so proved his claim the trustee shall be entitled to demand from him delivery of such security and to realize it subject to the right of the creditor to prove his claim. If the creditor fails to comply with such demand of the trustee, the Master, on the application of the trustee and after notice to the creditor shall direct the Sheriff to attach the security and to deliver it to the trustee, who shall be entitled to deduct the Sheriff's costs, as taxed and allowed by the Master, from the proceeds of the realization of the security or from any dividend which may be awarded to the creditor.

(5) Such security may be realized in the manner and on the conditions following, that is to say—

- (a) if it is marketable security the creditor may forthwith sell it through a broker;
- (b) if it is a bill of exchange, the creditor may realize it in the ordinary course of business;
- (c) in the case of outstanding accounts and other rights of action, the creditor shall not realize them except in the ordinary course of business and with the approval of the Master;
- (d) in the case of any other security it shall not be sold before the appointment of the trustee without the written permission of the Master or, after the appointment of the trustee, without giving to him reasonable notice of the time and place of the sale and a reasonable opportunity to inspect the security. If the trustee does not then take over the security at a value agreed between him and the creditor or at the full amount of the claim, the creditor may sell the security by public auction after notice published as directed by the trustee. The trustee shall, when giving directions as to publication, give written notice to the other creditors of the date, hour and place of the sale.

Whenever a creditor realizes a security under paragraph (a), (b), (c) or (d) he shall pay the net proceeds of the realization to the trustee, if any, or if there is no trustee, to the Master on the trustee's account; but the creditor shall be entitled out of such proceeds to be paid forthwith his preferent claim if such claim is duly proved as provided by section forty-two and the trustee is satisfied that the claim was duly secured by the property so realized. If the trustee disputes the preference the creditor shall be entitled either to lay before the Master an objection under section ninety-five to the trustee's account, or to apply to Court, after notice of motion to the trustee, for an order compelling the trustee to pay him forthwith. Upon such application the Court may make such order as to it seems just.

(6) Whenever any creditor in proving his claim has placed a value upon the security held by him or in respect of which a special mortgage exists in his favour, the trustee, if authorized at any meeting of creditors, may within six weeks after the trustee has been appointed or after the claim has been proved (whichever is the later) take over that security at the value placed thereon by the creditor when his claim was proved. If the trustee does not, within that period, take over the security he shall proceed to realize the property for the benefit of all creditors according to their legal rights: Provided that where two or more creditors have a pledge or mortgage of the same property a creditor who has valued his security shall be deemed to have valued, and the trustee shall be entitled to take over, only the preferent rights of the creditor in respect of the property, and not the property itself. If the claim of a secured creditor exceeds the amount payable to him in respect of his security he shall be entitled to rank against the estate in respect of the difference.

For the purpose of realizing the property in accordance with this sub-section, the trustee shall be entitled to demand from the creditor delivery of the property, and if the creditor fails to comply with the demand the trustee shall have the same rights and remedies as he has under sub-section (4) of this section.

(7) A creditor who holds as security for his claim any movable property and who fails to notify the Master or the trustee of the security which he holds or who, after realizing his security, fails to pay over the net proceeds thereof to the trustee or to the Master, on the trustee's account shall be guilty of an offence and be liable on conviction to the penalties provided for an offence against sub-section (2) of section one hundred and forty-six.

(8) The provisions of this section shall apply *mutatis mutandis* in respect of any separate creditor for value of a solvent spouse for whom provision is made in sub-section (2) of section nineteen and who holds movable property of that spouse as security for his claim as if such security were property of an insolvent over which the creditor had a preferent right by virtue of any special mortgage, legal hypothec, pledge or right of retention.

78. (1) The trustee may (subject to the approval of the creditors where the debt exceeds fifty pounds) agree to any offer of composition made to the insolvent estate by any debtor and take any reasonable part of the debt in discharge of the whole or may give reasonable time, regard being had to the provisions of section ninety-one.

(2) If specially authorized by a resolution of creditors, the trustee may submit to the determination of arbitrators any dispute concerning the estate or any claim or demand upon the estate, when the opposite party consents to arbitration.

(3) If specially authorized by a resolution of creditors, the trustee may compromise or admit any claim or demand against the estate, including an unliquidated claim. When an unliquidated claim has been so compromised or admitted, or when it has been settled by a judgment of a court, the same may be proved against the estate in the manner set forth in section forty-two.

79. Whenever a trustee dies or is removed, no legal proceedings relative to the insolvent estate shall lapse by reason of the death or removal.

The Court in which any such proceedings are pending may, upon receiving notice of the death or removal, allow the name of the surviving or new trustee to be substituted in the place of the former: and the proceedings shall continue as if the surviving or new trustee had originally been a party to the same.

80. (1) Every trustee or *curator bonis* shall be entitled to a reasonable remuneration for his services, to be taxed by the Master according to tariff B in the Second Schedule to this Proclamation: Provided that the Master may, for good cause, reduce or increase his remuneration: Provided further that the Master may disallow his remuneration either wholly or in part on account of any failure or delay in the discharge of his duties.

(2) No person who employs or is a fellow employee of, or is in the ordinary employment of the trustee shall be entitled to receive any remuneration out of the estate for services rendered to the estate, and no trustee shall be entitled either by himself or his partner to receive out of the estate any remuneration for services rendered to the estate, except the remuneration to which under this Proclamation he is entitled as trustee.

#### APPLICATION OF ASSETS.

##### Costs and Preferent Claims.

81. In priority to all other claims or charges against an estate under sequestration there shall be paid out of the free residue of the estate, and if the free residue be insufficient, out of the remaining assets in proportion to their value, in the order of preference herein set forth:

- (a) The funeral expenses of the insolvent, or, if they were incurred within the three months prior to the sequestration, the funeral expenses of his wife or minor child, but the amount payable under this paragraph shall not exceed twenty-five pounds in all;
- (b) the death-bed expenses of the insolvent, or, if they were incurred within the three months prior to the sequestration, the death-bed expenses of his wife or minor child, but the amount payable under this paragraph shall not exceed twenty-five pounds in all.

Death-bed expenses shall include medical attendance, nursing, drugs and medical necessities which shall rank *pari passu*.

82. Thereafter there shall be paid out of the free residue of the estate, in priority to all claims, the costs of sequestration with the exception of those specified in section eighty-seven.

The costs of sequestration shall be paid in the following order:—

- (1) The sheriff's costs incurred since the date of the sequestration order, or under sub-section (2) of section six;
- (2) fees payable to the Master in respect of the sequestration;
- (3) the following costs and charges which shall rank *pari passu* and abate in equal proportions if necessary, that is to say: the taxed costs of sequestration, the remuneration of the *curator bonis* and of the trustee and all other costs of administration and liquidation including the wages of any such servants of the insolvent as on engagement by the legal representative of the estate continue in the service of the estate. "Taxed costs of sequestration" shall include costs incurred upon the petition of the insolvent or a creditor, in so far as any such costs have been necessarily or rightly incurred, but shall not include costs of opposition, unless the Court so order.

83. Thereafter there shall be paid out of the free residue of the estate, in priority to other claims, all taxed costs of any execution upon the estate of the insolvent in operation at the date of the sequestration order, to an amount not exceeding the proceeds of the property taken in execution. No one shall have any further or other preference by reason of an attachment on any property of the insolvent.

84. (1) Thereafter there shall be paid out of the free residue of the estate, in priority to other claims, but to an amount not exceeding fifty pounds to any one servant, the arrear wages for one month and the wages for the month current with the sequestration of any servant of the insolvent who is engaged by the month or by some longer period, and the arrear wages for one week and the wages for the week current with the sequestration of any servant of the insolvent who is engaged by the week.

(2) The wages specified in this section shall be paid by the trustee so far as there are assets available for that purpose without requiring that claims for the same be proved in the estate in the manner set forth in section forty-two but the trustee may require from the person claiming an affidavit that the wages are actually owing.

(3) Any servant claiming a preference for his wages for the month or week current with the sequestration shall be obliged to continue in the service of the estate during the remainder of such month or week and at the end thereof his contract shall be determined unless he be required by the legal representative of the estate to remain longer in the service of the estate.

(4) Nothing in this section contained shall deprive any servant whose contract is determined thereunder of his right to damages.

##### Secured Claims.

85. Subject to rights existing at the commencement of this Proclamation no tacit or legal hypothec (under which shall not be included any right of retention) shall give any preference on the estate of the insolvent except the landlord's hypothec; and that hypothec shall give preference for all rent in respect of the period current with and up to the sequestration and arrear rent, not exceeding three months, in respect of a period immediately prior thereto.

86. (1) No general bond registered after the commencement of this Proclamation shall confer any preference in respect of immovable property, and no general clause in a special mortgage registered after the commencement of this Proclamation shall confer any preference in respect of immovable property or of movable property which was not delivered to the mortgagee at the time of mortgage and retained by him during the term thereof: Provided that nothing in this section contained shall affect any preference conferred by a general clause in any mortgage bond passed in favour of a Master, in terms of any law for the time being in force in the territory relating to the Administration of the estates of deceased persons.

(2) From and after the commencement of this Proclamation priority under any mortgage for future advances shall be deemed to depend on the date of the registration of that mortgage, and not on the date of any advance made under the same.

87. (1) The cost of maintaining, conserving, and realizing any property which is subject to any special mortgage, legal hypothec, pledge or right of retention shall be paid out of the proceeds of that property, if sufficient, and if insufficient, by those creditors *pro rata* who are entitled to rank against those proceeds in priority to other persons. The trustee's remuneration in respect of that property and all rates, taxes, licences, and other payments due in respect thereof at the date of sale and necessary to be paid in order to enable the trustee to give transfer thereof shall form part of the costs of realization.



(2) If a secured creditor, when proving his claim, state in his affidavit that he relies for the satisfaction of his claim solely on the proceeds of the property which constitutes his security, he shall not, save as is prescribed in the first and third provisos to section ninety, be liable for any other costs of sequestration than the costs specified in this section.

(3) Interest on a secured claim for the year preceding the year current with the sequestration and for the year current with the sequestration up to the date of the sequestration shall have the like preference as the capital sum.

(4) Notwithstanding any law prohibiting the transfer of property upon which there are unpaid rates, taxes or licences, no trustee shall be prevented from transferring any property by reason of any unpaid rates, taxes or licences thereon which at the date of sequestration had been in arrear for longer than the calendar year current with the sequestration and the calendar year preceding.

#### Distribution.

88. (1) After payment of the costs and charges mentioned in sub-section (1) of the last preceding section the proceeds of any property subject to a special mortgage, legal hypothec, pledge or right of retention shall be applied in payment of the claims thereby secured in their legal order of preference with interest from the date of sequestration to the date of payment: Provided that whenever no claim has been proved in respect of a debt secured by a special mortgage over immovable property of the insolvent and the trustee is not satisfied that such debt has been discharged, the trustee shall deposit with the Master the proceeds of the sale of any such property, not exceeding such capital amount of the said special mortgage and such arrears of interest as the mortgagee would have had a preferent right to claim. The amount so deposited or any part thereof shall be paid to the mortgagee if, within a period of one year after confirmation of the distribution account under which the money is distributed, he applies to the Master and the Master is satisfied, by a certificate of the trustee or other evidence deemed by him sufficient, that the mortgagee is entitled to the amount or part thereof. If the last known address of the mortgagee is ascertainable by the trustee, he shall transmit to the mortgagee at that address by registered post not less than three months before lodging the said account with the Master notice of the sequestration of the mortgagor's estate.

Any amount which is not paid to the said mortgagee after the expiry of that period shall be distributed amongst the creditors who have proved claims in the insolvent estate prior to the confirmation of the said distribution account, as if the amount had, at the date of such confirmation, been available for distribution among them.

Any creditor claiming to be entitled to share in the distribution shall make written application to the Master for payment of his share, and the Master may pay out to such creditor or may hand the money to the trustee, if any, for distribution amongst the creditors entitled thereto, or, if there is no trustee, may appoint a trustee for the purpose of making such distribution.

Any trustee charged with the duty of making such a distribution shall lodge a supplementary account in respect thereof and the provisions of sections ninety-five to one hundred and one inclusive relating to the confirmation of accounts and the distribution and payment of dividends shall apply in respect of such supplementary account.

(2) After payment of the costs of the sequestration and in so far as the same shall be preferent upon the free residue all preferent claims with interest thereon from the date of sequestration to the date of payment, the free residue shall be applied—

- (a) in the payment of the concurrent claims in proportion to the amount of the same; and,
- (b) if the concurrent claims have been paid full, in the payment thereafter of interest on the concurrent claims from the date of sequestration to the date of payment in proportion to the amounts thereof.

(3) Interest on all claims shall be calculated at the rate of six per cent. per annum unless otherwise lawfully stipulated in writing, when it shall be calculated at the stipulated rate.

89. Any creditor who has not received a dividend under a distribution of assets by reason of his not having proved his claim before that dividend was paid, shall be entitled, on any further distribution after he has proved his claim to receive the amount that he would have received under the previous distribution if he had so proved: Provided that such creditor satisfies the Master that his delay in proving was due to some reasonable cause: Provided further that any creditor who had knowledge of proceedings having been taken under sections twenty-four, twenty-seven, twenty-eight or twenty-nine, and who delayed proving his claim until after the Court had given judgment in such proceedings, shall not be entitled to share in the distribution of the proceeds of any assets or of any moneys recovered in such proceedings.

90. When the free residue of the estate is insufficient to pay all the costs in the sequestration hereinbefore declared to be a charge against the same, all creditors who have proved their claims against the estate shall be personally liable to make good any deficiency, the concurrent creditors each in proportion to the amount of his claim and the secured creditors each in proportion to the amount for which he would have ranked upon the surplus of the free residue, if there had been any: Provided that—

- (1) where all the creditors who have proved claims against the estate are secured creditors who would not have ranked upon the surplus of the free residue if there had been any, such creditors shall be liable to make good the whole of the deficiency, each in proportion to the amount of his claim;
- (2) where a creditor has withdrawn his claim he shall be liable to contribute in respect of any deficiency only so far as is provided in section forty-nine, and if a creditor has withdrawn his claim within five days after the date of any resolution, he shall be deemed to have withdrawn the claim before anything was done in pursuance of that resolution;

(3) where all the creditors who would have ranked upon the surplus of the free residue, if there had been any, have withdrawn their claims and, after payment of their contribution in terms of the last preceding proviso, there is still a deficiency, the remaining creditors whose claims have been proved against the estate shall, notwithstanding the fact that they would not have ranked upon the surplus of the free residue, if there had been any, be liable to make good such deficiency, each in proportion to the amount of his claim.

Whenever any creditor, who is liable to contribute as aforesaid or under such supplementary account as is hereinafter provided for is in the opinion of the Master and of the trustee unable to pay the contribution or if costs have been incurred in connexion with the recovery of any contribution and are in the opinion of the Master and of the trustee irrecoverable by the trustee, the trustee may within six months after the confirmation of the account or after the date when the amount of such costs has been ascertained or within such further period as the Master may allow, frame a supplementary account—

- (a) in the case of a creditor who is unable to pay the contribution, apportioning liability therefor among the other creditors; or
- (b) in the case of costs so incurred and irrecoverable, apportioning liability therefor among the creditors or among such of them as are able to pay.

Any creditor contributing to the liability of a defaulting creditor shall be entitled to recover the amount so contributed from that defaulting creditor. The provisions of sections ninety-five, ninety-six and ninety-seven and of sub-section (2) of section ninety-eight and sub-section (1) of section ninety-nine shall apply in respect of such supplementary account. The said supplementary account shall be lodged and due notice thereof published in the Gazette within the six months aforesaid or within such further period as the Master may have allowed.

#### TRUSTEE'S ACCOUNTS.

##### Form of Accounts.

91. The trustee of every insolvent estate shall, unless he receive extension of time as herein after provided—

- (a) not later than six months after his appointment, if the estate be of the gross value of two hundred and fifty pounds and upwards; or
- (b) in any other case not later than three months after his appointment,

frame and lay before the Master—

- (i) a liquidation account, being an exact account of the trustee's receipts and expenditure, fully supported by vouchers including the trustee's pass book and exhibiting—
  - (a) the result of his trading if he has carried on a business, and
  - (b) in regard to all moneys received or disbursed by him otherwise than in the course of such business, the amounts thereof in detail, the dates of the receipts and the disbursements with entries sufficient to explain the nature;
- (ii) when the trustee carries on a business, a trading account, forwarded as a distinct account and including the following items and no others, namely—
  - (a) on the one side of the account an entry showing the value of stock on hand at the date of sequestration;
  - (b) on the other side of the account an entry showing the value of stock on hand at the date up to which the account is completed;
  - (c) the daily totals of receipts and payments on the trading account; and
- (iii) a plan of the distribution of the assets of the estate (if any) available for payment of creditors, or if all realizable assets of the estate have been realized and brought to account and the free residue of the estate is insufficient to cover the costs of the sequestration herein before declared to be a charge on the same, a plan of contribution apportioning the liability in respect of the deficiency among the creditors who are liable to contribute.

If the estate of a partnership and of a partner are under administration simultaneously, separate accounts shall be framed in the estate of the partnership and in the estate of that partner.

92. (1) The plan of distribution shall show in parallel columns under separate headings—

- (a) such claims or such portions of any claims as are preferent or secured;
  - (b) such claims or such portions of any claims as are concurrent;
  - (c) the dividends severally awarded under that account and under previous accounts, if any; and
  - (d) the deficiency in respect of each claim.
- (2) The plan of contribution shall show in parallel columns—
- (a) the claim of each creditor in respect of which he is liable to contribute; and
  - (b) the amount which he is liable to contribute.

(3) If the liquidation account be not the final liquidation account, the trustee shall further set forth therein—

- (a) all property still unrealized;
- (b) all outstanding debts due to the estate;
- (c) the reasons why that property or those debts have not been realized or collected, as the case may be.

In that event the trustee shall, from time to time and as the Master may direct but at least once in every six months, unless he receive an extension of time as herein after provided, frame and lay before the Master periodical accounts in form and in all other respects similar to the account mentioned in this and the last preceding section.

(4) Every account lodged by a trustee shall be signed by him, and verified by his affidavit that the account is a full and true account of the administration of the estate up to the date of the account and that, so far as he is aware, all the assets of the estate have been disclosed in the account. No stamp duty shall be payable in respect of such affidavit.



93. The Master, at any time when he considers that the trustee of an estate has funds in hand that ought to be distributed, and the Master or any person interested in the estate when a full and true account has not been lodged within the periods specified for the lodging of such an account in the last two preceding sections may apply to the Court for an order compelling the trustee to lodge his account: Provided that—

- (a) the Master or that other person shall, not later than fourteen days before making this application, transmit a letter to the trustee in default requiring him to lodge his account in accordance with this Proclamation;
- (b) any trustee receiving such a letter shall lay before the Master in writing, his reasons for not having lodged his accounts and the grounds upon which he claims an extension of time within which to do so, and thereupon the Master may grant to the trustee such extension of time as in the circumstances he may think fit;
- (c) if the period specified in the preceding sections for lodging an account has expired, or, if it will expire within the time for which an extension is sought, the Master shall not grant an extension unless the trustee has previously given, by advertisement in the *Gazette*, not less than fourteen days' notice of his intention to apply for an extension;
- (d) any trustee who fails to satisfy the Master that he ought to receive an extension of time may apply by motion to the Court, after notice to the Master and the person referred to in the first proviso to this section, for an order granting to that trustee an extension of time within which to lodge his account.

94. Upon an application by the Master under the last preceding section the Court, although it may be of opinion that the reasons laid before the Master by the Trustee were such as would have justified the Master in granting an extension of time to lodge an account, shall order the trustee to pay the costs to the Master, if before making his application, the Master allowed the trustee sufficient time for applying to the Court for an extension of the period for lodging his account.

#### Confirmation of Account: Dividends and Contributions.

95. (1) Every trustee's account shall lie open at the office of the Master, and where the insolvent resided or carried on his business at the time of sequestration in any district (other than the district in which there is a Master's office) a duplicate thereof shall lie open at the office of the Assistant Commissioner of that district, for inspection by creditors for such reasonable time, not being less than fourteen days, as the Master may determine.

(2) The trustee shall give due notice thereof by advertisement in the *Gazette* and shall state in that notice the period during which and the place or places at which the account will lie open for inspection as aforesaid.

(3) The Assistant Commissioner shall cause to be affixed in some public place in or about his office a list of all such accounts as have been lodged in his office and the respective dates on which they will be transmitted to the Master; and upon the expiry of the period of inspection so advertised he shall endorse on each account his certificate that the account has been open in his office for inspection in terms of this section and shall transmit the account to the Master. No stamp duty shall be payable in respect of such certificate.

96. (1) The insolvent or any person interested in the estate may, at any time before the confirmation of an account, lay before the Master in writing any objection, with the reasons therefor, to that account.

(2) If the Master be of opinion that any such objection ought to be sustained, he shall direct the trustee to amend that account or shall give such other directions as he may think fit.

Notwithstanding that an objection to the account has not been lodged and notwithstanding anything in section ninety-seven contained, if the Master is of opinion that any improper charge has been made against the assets or that the account is in any respect incorrect and should be amended, he may direct the trustee to amend the account or may give such other directions as he may think fit: Provided that—

- (a) any person aggrieved by any such direction of the Master or by the refusal of the Master to sustain an objection so lodged may apply by motion to the Court within fourteen days after the date of the Master's direction, after notice to the trustee, for an order to set aside the Master's decision and the Court may confirm the account or make such order as it thinks fit; and
- (b) when any such direction affects the interests of a person who has not lodged an objection with the Master, the account so amended shall again lie open for inspection by creditors in the manner and with the notice herein before prescribed, unless the person affected as aforesaid consents in writing to the immediate confirmation of the account.

97. (1) When an account has been open to inspection by creditors as herein before prescribed and—

- (a) no objection has been lodged; or
- (b) an objection has been lodged and the account has been amended in accordance with the direction of the Master and has again been open for inspection if necessary as in sub-section (2) (b) of the last preceding section prescribed and no application has been made to the Court within the prescribed time to set aside the Master's decision; or
- (c) an objection has been lodged but withdrawn or has not been sustained and the objector has not applied to the Court within the time prescribed in the last preceding section,

the Master shall confirm the account and his confirmation shall have the effect of a final sentence save as against such persons as may be permitted by the Court to re-open the account before any dividend has been paid thereunder.

(2) On the application of the trustee the Master shall forthwith, after the second meeting of creditors, fix a period or periods within which creditors shall prove their claims and, on the expiry of any period so fixed, creditors who have not proved shall, without prejudice to the rights of any mortgagee under the proviso to sub-section (1) of section eighty-eight, be excluded from the benefit of any distribution under any account lodged with the Master, before their claims are proved. The Master shall give directions to the trustee as to the publication of a notice fixing such period or periods.

98. (1) Immediately after the confirmation of any account the trustee shall proceed to distribute the estate in accordance therewith or to collect from the creditors liable to contribute hereunder the amounts for which they may be liable respectively.

(2) The trustee shall give notice of the confirmation of the account in the *Gazette* stating, if it be the case, that a dividend is in course of payment or, if it be the case, that a contribution is in course of collection and that every creditor liable to contribute is required to pay to the trustee the amount for which he is so liable.

The notice shall specify fully the address at which the payment of the contribution is to be made.

99. (1) The trustee shall without delay lodge with the Master the receipts for dividends and if there is a contribution account the vouchers and acquittances necessary to complete the account.

(2) If any such dividend remain unpaid for a period of three months after the confirmation of the account the trustee shall immediately pay the same to the Master for account of the creditor.

(3) If the trustee, at the expiry of the said period of three months, has failed to furnish the Master with a proper receipt for any dividend which has not been deposited as aforesaid, his failure shall be *prima facie* evidence that such dividend is still in his hands and the Master may institute proceedings against that trustee to answer for his default. The Court at the hearing of those proceedings may order the trustee to pay by way of penalty such sum, not exceeding the amount of any dividend which has been unduly detained, as it may think fit.

100. If a trustee delay payment of any dividend, any creditor entitled thereto may, after notice to the trustee, apply to the Court for an order compelling the trustee to pay him that dividend.

101. (1) Immediately after the confirmation of the final account the trustee shall pay into the hands of the Master any surplus moneys not required for payment of claims, charges and interest. These surplus moneys shall be retained by the Master for the credit of the estate and repaid to the insolvent after his rehabilitation upon his request.

(2) The Master or the insolvent may proceed by motion against any trustee who, being thereunto required in writing, fails to deposit those surplus moneys in accordance with this section; and the Court may order that trustee to pay by way of penalty such sum, not exceeding the amount which has been unduly detained, as to the Court may seem fit.

(3) If a trustee fail to comply with any order of the Court made under the provisions of this or any of the preceding sections, the Court may order that any sum which that trustee was condemned to pay be recovered by attachment and sale of the goods of the trustee and may further commit him for contempt.

102. At any time after the expiry of fourteen days from the publication in the *Gazette* of the notice mentioned in section ninety-eight, the trustee may take out a writ of execution against any creditor who, being liable to contribute under the plan of contribution, has failed to satisfy the amount of his liability.

#### Authentication of Accounts.

103. (1) After the confirmation of any account the Master shall authenticate every duplicate transmitted to him by an assistant Commissioner, as herein before provided, by affixing his signature thereto, and shall endorse thereon the date upon which the account has been confirmed. He shall transmit to the Assistant Commissioner from whom the same has been received the duplicate of every account confirmed.

(2) Every such duplicate shall, upon receipt thereof by the Assistant Commissioner, be filed in his office and every person shall be at liberty to inspect and take copies thereof without charge at any time during office hours.

### CHAPTER V.

#### COMPOSITIONS AND REHABILITATIONS.

##### Compositions.

104. (1) At any meeting of creditors, other than the first meeting, the insolvent may make an offer of composition or security for composition, provided notice of the intention to make that offer and the nature thereof has been published in the *Gazette* not less than ten days before the meeting or adjourned meeting at which the offer is considered.

(2) If the offer be accepted by creditors whose votes amount to not less than three-fourths in value and three-fourths in number of the votes of all the creditors whose claims have been proved against the estate, the insolvent shall, so soon as the payment under the composition has been made or security given to the satisfaction of the trustee, be entitled to a certificate under the hand of the Master of the acceptance of the offer: Provided that no offer may be so accepted which contains any condition whereby any creditor would obtain as against another creditor who has not expressly agreed thereto in writing any benefit to which he would not have been entitled upon the distribution of the estate in the ordinary way: Provided further that any condition purporting to make the offer of composition or the fulfilment thereof or of any part thereof subject to the rehabilitation or to the consent of the creditors to the rehabilitation of the insolvent shall be of no effect.

105. (1) An offer of composition which has been accepted as aforesaid shall be binding upon the insolvent and upon all the concurrent creditors of the estate; but the right of any creditor entitled to be paid in preference shall not be prejudiced thereby, except in so far as that creditor has expressly consented in writing to surrender his preference.

(2) If it be a condition of the composition that any property of the insolvent shall be restored to the insolvent, the acceptance of the composition shall divest the trustee of such property and reinvest the insolvent therewith as from the date and subject to the conditions from and subject to which such property is in pursuance of the composition to be restored to the insolvent.

(3) The acceptance of an offer of composition shall not affect the liability of any person who is a surety for the insolvent.

(4) Whenever the estate of a partnership and the estate of a partner have been sequestrated simultaneously the acceptance of an offer of composition in the separate estate of the partner shall not divest the trustee of any property of the insolvent or reinvest the insolvent therewith until after the expiry of a notice, stating the terms of the offer and given six weeks previously, to the trustee of the partnership estate.



(5) At any time during that period of six weeks the trustee of the partnership estate may elect to take over the assets of the estate of the partner on payment to the trustee thereof of any money immediately payable under the offer of composition and on an undertaking that he will carry out all the conditions of such offer: Provided that if it is a condition of such offer that any specific security shall be given for carrying it out, the Master shall, having regard to all the circumstances, determine the security which the trustee of the partnership estate shall give.

(6) The acceptance of an offer of composition by the creditors of an insolvent spouse shall not be binding on the separate creditors of the solvent spouse who have proved claims under sub-section (2) of section *nineteen*; but upon the acceptance of the offer of composition the property or, if it has been realized, the proceeds of the property of the solvent spouse shall be restored to the solvent spouse without prejudice to the claims of the creditors of that spouse or to any right of preference enjoyed by any of them at the time when the property was vested in the trustee: Provided that any movable property held as security by any such creditor when the property was vested in the trustee shall be restored to that creditor and provided further that the proceeds of any security whatsoever which has been realized shall be paid to the party or parties entitled thereto according to their legal rights.

106. Any moneys paid and anything done for the benefit of creditors in pursuance of an offer of composition shall be paid and shall be done, as far as practicable, through the trustee, who shall frame an account and lay it before the Master, and all the provisions of this Proclamation with regard to trustee's accounts and the confirmation thereof and the distributions of dividends thereunder shall, as far as they may be applicable, continue to apply after an acceptance of an offer of composition: Provided that any creditor who has failed to prove his claim before the trustee has made a final distribution among those creditors who have proved, shall be entitled to recover direct from the insolvent within six months after the confirmation of the account under which the distribution was made, any payments to which he may be entitled under the composition and the trustee shall have no duty in regard thereto and thereafter the creditor shall have no claim in respect thereof.

#### Rehabilitations.

107. (1) An insolvent who has obtained from the Master the certificate mentioned in section *one hundred and four* may apply to the Court for an order for his rehabilitation: Provided that he has previously given, by advertisement in the *Gazette*, not less than three weeks' notice of his intention to make the application: Provided further that the said certificate shows that payment has been made or security to the satisfaction of the trustee given for payment of not less than five shillings for every pound of every claim proved or to be proved in the estate.

(2) An insolvent who is not entitled to apply to the Court under sub-section (1) and who has previously given to the Master and to the trustee in writing and by advertisement in the *Gazette* not less than six weeks' notice of his intention to apply for his rehabilitation may so apply—

- (a) after twelve months have elapsed from the confirmation of any liquidation and distribution account in his estate unless he falls within the provisions of paragraphs (b) or (c) of this sub-section; or
- (b) after three years have elapsed from the confirmation of any such account if his estate has either under this Proclamation or any amendment thereof or a prior law been sequestrated prior to the sequestration to which he desires to put an end and if he does not fall within the provisions of paragraph (c) of this sub-section; or
- (c) after five years have elapsed from the date of his conviction of any fraudulent act in relation to his existing or any previous insolvency or of any offence under section *one hundred and thirty-five, one hundred and thirty-six, or one hundred and thirty-seven* of this Proclamation or any amendment thereof or under any corresponding provision of a prior law.

(3) An insolvent in whose estate no claim has been proved and no trustee has been appointed may apply for his rehabilitation after six months have elapsed from the date of sequestration, provided that he has previously given to the Master and his creditors in writing and by advertisement in the *Gazette* not less than six weeks' notice of his intention to make the application.

(4) A trustee receiving the notice mentioned in sub-section (2) shall report to the Master any facts which in his opinion would justify the Court in refusing, suspending, or qualifying an order for the insolvent's rehabilitation.

108. Not less than three weeks before making any such application as is in the last preceding section mentioned, the insolvent shall furnish to the registrar security, to the amount or value of twenty-five pounds, for the payment of costs of any person who may appear to oppose the rehabilitation and be awarded costs by the Court.

109. Every insolvent making an application for the rehabilitation of his estate shall make and submit an affidavit that he has made a full and fair surrender of his estate and has not granted or promised any preference or security or made or promised any payment or entered into any secret or collusive agreement with intent to induce his trustee or any creditor not to oppose the rehabilitation. Such affidavit shall include a statement of his assets and liabilities and of his earnings at the date of application. Information shall also be laid before the Court as to what dividend was paid to his creditors, what further assets are available for realization, and the estimated value thereof, the total amount of all claims proved against the estate, and the total amount of his liabilities at the date of the sequestration of the estate. When application is made pursuant to sub-section (1) of section *one hundred and seven* the insolvent shall set out the particulars of the offer of composition and shall state whether there are or are not other creditors whose claims have not been proved in the estate and if there are shall state their names and addresses and particulars of their claims.

110. (1) Upon the day fixed for the hearing of any such application the Master shall report thereon to the Court, and the trustee or any of the creditors or other person interested in the estate may appear in person or by counsel to oppose the grant of the application.

(2) Whether the application be opposed or not, the Court may refuse to grant an order of rehabilitation or may suspend the grant of the same or may attach such conditions thereto as it may think fit, and may order the applicant to pay the costs of any opposition thereto if it be satisfied that the opposition was not vexatious. If the circumstances disclosed in the Master's report or otherwise brought to the notice of the Court are such that the Court requires the Master to appear by counsel or to incur expenditure in making any inquiry or investigation, the costs of such appearance or investigation shall be borne by the insolvent and shall be a first charge upon the security furnished to the Registrar.

(3) Among the conditions referred to in sub-section (2), the Court may for special reasons require the insolvent to consent to judgment being entered against him for any unsatisfied balance of the debt provable under the insolvency or such lesser sum as the Court may direct, but in such case execution shall not be issued on the judgment except with leave of the Court and on proof that the insolvent has since his discharge acquired property or income available for the payment of his debts or the Court may make any other condition with respect to any earnings or income which may afterwards become due to the insolvent or with respect to his after-acquired property.

(4) Notwithstanding any law requiring the officer in whose office is registered any obligation of an insolvent, upon notice of that insolvent's rehabilitation, to cancel the obligation, it shall be competent for the Court, where application for rehabilitation is granted in pursuance of an offer of composition, to order that any of the insolvent's registered obligations shall, notwithstanding the rehabilitation, remain of full force and effect.

(5) The Registrar shall forthwith give notice to the Master of every rehabilitation of an insolvent granted by the Court.

111. (1) An order of rehabilitation shall not affect—

- (a) the rights of the trustee or creditors under any composition duly accepted by the creditors;
- (b) the rights, powers, or duties of the Master or the duties of the trustee in regard to any such composition;
- (c) the right of the trustee or creditors to any part of the insolvent's estate which is vested in but has not yet been distributed by the trustee;
- (d) the liability of any surety for the insolvent;
- (e) the liability of any person to pay any penalty or suffer any punishment under the provisions of this Proclamation.

(2) Subject to the provisions of sub-section (1), and subject to such conditions as the Court may attach to the order, an order of rehabilitation shall have the effect—

- (a) of putting an end to the sequestration;
- (b) of discharging all debts of the insolvent not arising out of a fraudulent breach of trust, which were due, or the cause of which had arisen, before the sequestration;
- (c) of relieving the insolvent of every disability imposed on him by the sequestration.

(3) Notwithstanding anything in this section contained an order of rehabilitation granted on an application made in circumstances described in sub-section (3) of section *one hundred and seven* shall have the effect of reinvesting the insolvent with his estate.

112. Every benefit given or promised by the insolvent or on his behalf, and every agreement entered into with any person to obtain his consent to or to induce him to abstain from opposing his rehabilitation shall be void. Any person who accepts any such benefit or promise or enters into any such agreement shall be liable to pay by way of penalty for the benefit of the creditors of the estate—

- (a) a sum equal to the whole of the claim (if any) he originally proved against the estate; and
- (b) the amount or value of any benefit given or promised; and
- (c) in case of a composition, the amount paid or secured him by the composition.

113. Proceedings to enforce and recover any such penalty may be taken by the trustee. If the trustee refuse or neglect to take any such proceedings they may be taken by any creditor in the name of the trustee upon his indemnifying the trustee against all costs thereof.

#### CHAPTER VI.

##### Assignments.

114. Nothing in this Proclamation contained shall apply to a voluntary assignment entered into by a debtor with the consent of all his creditors.

115. An assignment under the provisions of this Proclamation (herein after called an assignment) shall mean an agreement whereby a debtor transfers or agrees to transfer his property to a person, herein after called assignee, for the benefit of his creditors. The instrument in which such an agreement is contained is herein after called the deed.

116. Any debtor who is not an insolvent may assign his estate in the manner herein after prescribed.

117. A deed of assignment may be signed and executed—

- (a) by the debtor or by any person who might under the like circumstances present a petition, in terms of section *three*, on behalf of the debtor; and
- (b) by any creditor whose claim, not being a conditional claim, would be provable under this Proclamation at a meeting of creditors, if the debtor were insolvent (herein after referred to as a creditor entitled to sign); and
- (c) by assignees not exceeding two in number, designated as such in the deed and not disqualified under this Proclamation for election as trustees.

There shall be annexed to the deed the debtor's schedules which shall be framed as nearly as may be in the Form "B" in the Second Schedule to this Proclamation and shall contain the particulars and be verified by the affidavit thereby required.

118. (1) Upon the execution of the deed of assignment by the debtor, by the assignee and by at least one creditor having a liquidated claim of not less than fifty pounds or by creditors having liquidated claims in the aggregate of not less than one hundred pounds against the debtor, the assignee shall take immediate possession, as against the debtor, of all movable property



of which the debtor can give or order possession, and shall retain that property as against the debtor until the assignment is set aside or the Master certifies that the assignment has been declined by the creditors.

(2) The assignee shall immediately transmit to every officer charged with the duty of registering title to any immovable property or interest in minerals in the territory appearing in the debtor's schedules as his property, a notice in the Form "E" in the Second Schedule to this Proclamation, which shall be notice to every such registering officer that the debtor is unable in any way to deal with the said property or interest unless or until the assignment is set aside or the Master shall certify that the assignment has been declined by the creditors.

119. (1) Immediately upon the execution as aforesaid of the deed of assignment the debtor or the person who executed the deed on behalf of the debtor shall transmit the deed and the schedules of the debtor to the Master and shall publish in the manner herein before provided for the publication of notice of surrender in the Form "F" in the Second Schedule to this Proclamation (herein after called a notice of assignment).

(2) The deed and schedules and, if need be, a duplicate of the deed and schedules shall lie for the inspection of creditors for such time and at such place or places as is prescribed by this Proclamation in cases where a debtor is about to surrender his estate under the provisions thereof.

120. The publication of the notice of assignment in the *Gazette* shall have the following effect:—

(a) It shall have the same effect as the publication of notice of surrender in regard to property and the proceeds of property of the debtor in the hands of the Sheriff or Messenger;

(b) except as herein after provided, it shall have the effect of staying all proceedings for the sequestration of the debtor's estate, whether on his own petition or the petition of a creditor:

Provided that any creditor may, at any time after publication of the notice of assignment and before the registration of the deed as herein after provided, apply to the Court, after notice to the Master, for the sequestration of the debtor's estate on the ground that the schedules of the debtor do not fully disclose the debts or the property of the debtor, or, if the Court so allow, on any other ground. The Court may supersede the assignment and place the estate under sequestration provisionally or may set aside the assignment altogether, or may make such order as it may deem fit.

121. (1) The deed or the duplicate thereof may be signed by creditors entitled to sign, at any office in which that deed or duplicate is advertised to be open for inspection of creditors and at any time during office hours and before the expiry of the period for which it is so advertised.

(2) Every such duplicate which has been open for inspection at the Office of the Assistant Commissioner shall, on the expiry of the period aforesaid, be transmitted by the Assistant Commissioner to the Master, together with his certificate that it has been open for inspection as advertised. No stamp duty shall be payable in respect of such certificate.

122. If within the period during which the deed has been open for inspection, that deed, or that deed and the duplicate thereof together, have not been signed by creditors representing at least three-fourths in value of the claims and three-fourths in number of the creditors entitled to sign and disclosed in the schedules, the creditors shall be deemed to have declined the assignment, and the notice of assignment shall be deemed to be a notice of surrender.

If, however, a sequestration order be not lodged with the Master within fourteen days after the expiry of the period aforesaid, the Master shall notify the assignee under the deed and every officer who has been notified of the assignment that the assignment has been declined. Thereupon the debtor and his estate shall be released from all the effects of the assignment and of the notice of assignment.

123. (1) If no creditor has given to the Master notice in writing that he intends to make application to the Court to set aside the assignment or place the estate under sequestration, or if a creditor, having given such notice, has failed within seven days thereafter to obtain and lodge with the Master an order placing the estate under provisional sequestration or setting aside the assignment, then, upon the expiry of the period during which the deed was advertised to be open for inspection or of the said period of seven days (whichever be the later), the Master shall satisfy himself that the deed and schedules and the duplicate thereof (if there be such) have been advertised and have been open for inspection as aforesaid, and that the deed or the deed and the duplicate thereof together have been signed by creditors representing not less than three-fourths in value of the claims and three-fourths in number of all creditors entitled to sign and disclosed in the schedules. Thereupon he shall register the deed and deliver to the assignee upon his finding security to the satisfaction of the Master for the full value of the estate and upon payment of fees payable by him, a certificate of appointment in the Form "G" in the Second Schedule to this Proclamation. That certificate or a duly certified copy thereof shall be the only admissible evidence of the assignee's appointment.

The date of the registration of the deed shall be the date of the assignment.

(2) Every act purporting to have been done by the assignee in terms of the deed before delivery to him of that certificate, except in so far as that act was done under the provisions of this Proclamation or was necessary for the better preservation of the debtor's property, shall be of no effect and the assignee shall be personally liable for the consequences thereof.

(3) For the purpose of this and the last preceding section no creditor shall be reckoned in number unless his claim amounts to at least thirty pounds, and in computing the value of the claim there shall be reckoned only the amount due after deducting the value of any security which the creditor may hold for his claim.

124. (1) The execution of the deed by the debtor and by the assignee under the deed shall be attested by an Assistant Commissioner or a Commissioner of Oaths. All other signatures to the deed shall be attested by at least one witness.

(2) Any person executing a deed on behalf of a creditor shall lodge with the Master the power of attorney, or other evidence of authority, or a duly certified copy thereof, whereby he is authorized to sign; otherwise he shall be deemed not to have executed the deed.

125. (1) From and after registration as aforesaid the deed shall be binding upon all creditors of the debtor (whether they have assented thereto or not) whose claims were due or the cause of whose claims arose before the date of the assignment; but no condition shall be inserted in the deed whereby any creditor may obtain, as against a creditor who has not executed the deed, any advantage or benefit to which he would not be entitled if the estate of the debtor were to be placed under sequestration. If any such term or condition is inserted in the deed, it shall be of no effect.

(2) The immediate effect of the registration of the deed shall be—

(a) to vest in the assignee the estate of the debtor as fully and effectually as if the estate were under sequestration;

(b) to relieve the debtor from every debt which was due or the cause of which arose before the date of the assignment, but subject always to the deed of assignment; provided that the registration of the deed shall not affect the liability of any person who is a surety for the debtor;

(c) to stay all legal proceedings against the debtor for any liquidated claim provable against the estate; whereupon the taxed costs of such proceedings by the plaintiff may be added to his claim provable against the estate;

(d) to suspend every other action and all proceedings therein by or against the debtor, except such as, if he were insolvent, he would be entitled to commence or continue for his own benefit; every action so suspended may be continued by or against the assignee in like manner and upon the like terms as to notice as if he were the trustee of an insolvent estate;

(e) to enable the debtor, if in prison for debt, to apply to the Court for his release after notice to the creditor at whose suit he is so imprisoned.

The additional effect of the registration of the deed of assignment of the estate of one of two spouses shall be to vest in the assignee all the property of the spouse whose estate has not been assigned, *mutatis mutandis*, in the same manner, to the same extent, subject to the same conditions and with the same rights, remedies and obligations in and on the part of the assignee, the spouse whose estate has not been assigned and the creditors of both spouses as is by this Proclamation provided in regard to the property of a solvent spouse which is vested in the trustee of the estate of an insolvent spouse.

The provisions of sub-sections (7) and (8) of section seventy-seven shall also apply *mutatis mutandis* in respect of property of a spouse whose estate has not been assigned but which under this sub-section is vested in the assignee.

(3) For the purposes of this section the estate shall consist of all property of the debtor at the date of the registration of the assignment, including property or the proceeds thereof which is in the hands of the sheriff or a messenger under a writ of attachment, except such property as would be reserved to the debtor, if he were insolvent, and such further property as might by the deed be reserved to him.

(4) Nothing in this section contained shall be construed as affecting the capacity of the debtor to acquire property, or to bind himself by contract, after the assignment; or to sue on any debt the cause of which arose after the assignment and nothing in this section contained shall be construed as affecting any claim against the debtor which accrued after the assignment.

126. (1) From and after the date of the assignment the estate of the debtor shall be administered and distributed under the supervision of the Master, and all proceedings in relation thereto shall as far as possible be had and taken in the like manner as if the debtor were an insolvent and the date of the assignment were the date of the sequestration. The assignee shall have, as against the debtor and as against third persons, the same powers, rights and remedies with regard to the acts of the debtor and with regard to the collection and recovery of the estate of the debtor as may be exercised by the trustee of an insolvent estate with regard to the acts of the insolvent and with regard to the collection and recovery of the estate of the insolvent. As between the creditors and himself the assignee shall have, in addition to any powers expressly granted to him under the deed, the same powers, rights, and remedies and shall be subject to the same duties in regard to the administration and distribution of the estate and all proceedings in connexion therewith as the trustee of an insolvent estate has and is subject to in regard to the administration and distribution of an insolvent estate.

(2) Every question of preference or priority and all matters whatsoever arising out of the assignment shall be determined according to the law and practice for the time being relating to insolvency as far as they may be applicable.

(3) Except as to property acquired by the debtor after the date of the assignment, the Court shall have power to make all such orders as it would have power to make, if the debtor were an insolvent and his estate had been under sequestration from the date of the assignment.

(4) The Master, if it appears to him to be desirable may appoint a person not disqualified from being elected a trustee of an insolvent estate to be co-assignee with the assignee or assignees designated in the deed of assignment. When so appointed, all the provisions of this Proclamation and any amendment thereof, conferring any powers or rights, or imposing any duties or obligations on an assignee shall apply to such co-assignee. In the event of difference arising between the co-assignee so appointed by the Master and the assignee or assignees so designated as to the administration of the assigned estate or the carrying out of the deed of assignment, the Master may, if the difference is referred to him, determine the matter.

(5) The Master may similarly determine any difference between any assignees.

127. (1) The costs of the assignment shall be taxed by the Master according to Tariff C in the Second Schedule to this Proclamation, and upon the registration of the deed shall be paid in preference in like manner as if they were taxed costs of sequestration.

(2) There shall be added thereto and paid in the like order of preference such taxed costs of any application to the Court as it may order.



## CHAPTER VII.

## SEARCH WARRANTS AND EXAMINATIONS.

*Concealed Property.*

128. (1) If it appear from any statements made upon oath that there is reason to believe that property (including books and accounts) belonging to an insolvent or assigned estate is concealed upon any premises an Assistant Commissioner may, upon the application of the legal representative of the estate, issue a warrant to search for and take possession of that property.

(2) Any such warrant shall be executed in the like manner as a search warrant for property suspected of being stolen or concealed.

*Examination of Insolvent and other Persons by Order of Court.*

129. (1) The Court may at any time, upon the application of the trustee or of the assignee or of any creditor who has proved his claim against the estate and has found security to the satisfaction of the registrar for all costs to be incurred under this section, summon any insolvent or any person who has assigned his estate to appear before the Court or any Commissioner thereof to be examined upon oath touching all such matters and things as are in section fifty-five referred to, and may summon the wife of the debtor, or any person known or suspected to have been in possession of any property of the debtor or to be indebted to the debtor, or any person, other than his advocate, attorney or law agent, whom the Court has reason to believe is capable of giving any material information concerning the person, property, or affairs of the debtor, to appear before the Court or that Commissioner to be examined upon oath touching the matters aforesaid and to produce such books or documents in his custody or under his control as the Court may order him to produce. Any statement made in the course of such examination may thereafter be used as evidence against the person making the same.

(2) Every such examination shall be reduced to writing and signed by the person examined and shall be transmitted to the Master to be annexed to the documents relating to the estate.

(3) No person examined under this section shall be entitled at any such examination to refuse to answer any question upon the ground that the answer may tend to incriminate him.

130. The insolvent or any other person summoned to undergo examination as aforesaid shall be entitled to all such expenses out of the estate as a witness in civil proceedings is entitled to. The insolvent shall also be entitled to expenses out of the estate for his attendance at any meeting after the second meeting of creditors.

131. (1) If any person, duly summoned to undergo examination or to produce books and documents as aforesaid, fail to appear at the time and place appointed in the summons, the Court or Commissioner may grant a warrant authorizing any officer of the law or other person to apprehend the person so summoned and bring him before the Court or Commissioner.

(2) Unless the person so summoned satisfy the Court or Commissioner that he was prevented from complying with the summons by good cause, the Court or Commissioner may commit him to prison to be detained until such time as the Court or Commissioner may appoint anew for his examination or the production of books and documents.

(3) The gaoler of the prison shall produce that person before the Court or the Commissioner at the time so appointed.

132. (1) If any person, who has been summoned to appear as aforesaid, refuse when required to answer any lawful question or to sign his examination or to produce any such books or documents as aforesaid, the Court or the Commissioner before whom the examination is held may issue a warrant for the committal of that person to prison and, subject to the provisions of the next succeeding section, he shall remain there without bail until he has undertaken to do what is required. Any such warrant shall state fully the grounds on which it was issued.

(2) The books or documents referred to in sections one hundred and twenty-nine, one hundred and thirty-one and one hundred and thirty-two shall include such books or documents in the possession of any banker as will show the name of every person in whose favour any cheque has within one year prior to the order of sequestration or date of assignment been drawn by a debtor upon his account with such banker.

133. Any person so committed to prison may apply to the Court for his discharge from custody, and the Court may order his discharge on the ground either of any illegality or informality in the warrant, or that he had a lawful reason for his refusal, or on any other ground that it may think fit.

134. If any proceedings be instituted against the Commissioner by reason of any such committal, he shall have, in respect of those proceedings, the same protection as is by law allowed to judicial officers for anything done by them in the execution of their office. The Court, in considering the refusal of the plaintiff to answer any question, shall have regard to the whole examination of which that question formed part.

## CHAPTER VIII.

*Offences.*

135. A person shall be guilty of an offence and liable on conviction to imprisonment for a period not exceeding three years if at any time before or after the sequestration or assignment of his estate he does any of the following acts, unless he satisfies the Court that he had no intention to defraud; that is to say, if he—

- (a) conceals, parts with, destroys, mutilates, falsifies or makes any false entry or erasure in any book or other document relating to his business, property or affairs or permits any other person to commit any such act in regard to any such book or document; or
- (b) conceals or permits the concealment of any asset which ought to be placed at the disposal of the trustee or assignee; or
- (c) otherwise than in the ordinary course of business makes, or permits the making of, a disposition of any property which he has obtained on credit and has not paid for; or

- (d) otherwise than in the ordinary course of business destroys, damages, removes, or makes a disposition of, or permits the destruction, damage, removal or the making of a disposition of, any assets in his estate if such destruction, damage, removal or disposition has prejudiced or is calculated to prejudice his creditors;

Provided that—

- (i) whenever in any proceedings for a contravention of paragraph (a) any act described in that paragraph is proved to have been committed in regard to any book or other document relating to the business, property or affairs of the insolvent or debtor who has assigned his estate, he shall be deemed to have committed or permitted such act unless he satisfies the Court that he neither committed it nor could have prevented the commission;
- (ii) in any proceedings for a contravention of paragraph (c) or paragraph (d) any disposition, destruction, damage or removal of assets proved to have been committed shall, unless the contrary is proved, be deemed to have been otherwise than in the ordinary course of business;
- (iii) if it appears by reference to any book or other document relating to the business property or affairs of the insolvent, or debtor who has assigned his estate, or if it is proved in any other manner whatsoever that, in the assets found in the estate by the trustee or assignee, there is a general deficiency not clearly and fully accounted for, of one-tenth or more of the total value of assets so found in the estate, such insolvent or debtor shall be deemed to have removed or made a disposition of assets to the value of such deficiency in contravention of paragraph (d) unless he fully and accurately accounts for or explains the deficiency and satisfies the Court that the deficiency was not caused by his action and that he could not have prevented it.

136. A person shall be guilty of an offence and liable on conviction to imprisonment for a period not exceeding three years if, within two years immediately preceding the sequestration or assignment of his estate, when making any statement either verbally or in writing in regard to his business, property or affairs to any person who is his creditor or to any person who became his creditor on the faith of such a statement conceals any liability present or future, certain or contingent, which he may then have contracted or fails to disclose the full extent of his liability or mentions, as if it were an asset, any right or property which at the time is not an asset, or represents that he has more assets than he in fact has or makes any false statement in regard to the amount, quality or value of his assets, or in any way conceals or disguises or attempts to conceal or disguise any loss which he has sustained, or gives any incorrect amount thereof, unless he satisfies the Court that he had no intent to defraud.

137. (1) A person shall be guilty of an offence and liable on conviction to imprisonment for a period not exceeding one year if, being an insolvent or having assigned his estate and his occupation or transactions having been such that he might reasonably be expected to keep a record of his transactions, he has failed to keep a proper record of his transactions in the English language.

(2) For the purposes of this section a proper record of transactions includes all such books, containing entries which set forth clearly the nature of all such person's transactions as (regard being had to his occupation) he can reasonably be expected to have kept. A trader shall not be deemed to have kept a proper record unless it includes—

- (a) detailed stock sheets and balance sheets completed for each of his three financial or business years immediately preceding the sequestration or assignment of his estate or if he commenced business less than three years before the sequestration or assignment of his estate, completed at the commencement of his business and thereafter for each financial or business year preceding the sequestration or assignment;
- (b) books exhibiting for the period since the commencement of business or since the commencement of the financial or business year next but one before the financial or business year current with the sequestration or assignment (whichever period is the less) the following particulars—
  - (i) all goods or property purchased in the course of the business duly supported by the original invoices;
  - (ii) all cash receipts and disbursements and the dates thereof;
  - (iii) a daily record of all goods or property sold on credit, and such a continuous record of all transactions as a trader may be expected to keep in the ordinary course of business;
  - (iv) in addition to the other particulars, usually contained in a ledger the name and address of every person indebted to the trader at the time when he became so indebted;
- (c) all cheques drawn during the period mentioned in paragraph (b) in payment of disbursements, showing clearly, in the case of each cheque, the name of the payee and the date thereof, together with the counterfoils of all such cheques, such counterfoils showing in each case the name of the payee, the amount of the cheque, and the date thereof;

Provided that a trader whose turnover for the two years immediately preceding the sequestration or assignment of his estate or since the commencement of the business (whichever period is the less) was at the rate of less than one thousand pounds per annum shall be deemed to have kept a proper record, if the Court, having regard to the nature and circumstances of the business, is satisfied that he has kept a sufficient record of his transactions, including a list of his debtors and creditors and their addresses.

138. (1) An insolvent or a debtor who has assigned his estate shall be guilty of an offence and liable on conviction to imprisonment not exceeding one year, if prior to the sequestration or assignment of his estate, he made a disposition of any part of his property so as to cause an excess of his liabilities over his assets, or a greater excess of his liabilities over his assets than existed prior to the making of the disposition, with the intention of preferring one or more of his creditors above the others or any other: Provided that any such disposition which had the effect of preferring, or was calculated to prefer, one or more creditors



above the others or any other shall, unless the contrary is proved, be deemed to have been made with the intention of preferring such creditor or creditors above the others or any other: Provided further that any such disposition made within a period of six months immediately preceding the sequestration or assignment shall, unless the contrary is proved, be deemed to have caused such excess or greater excess.

For the purposes of this sub-section "creditor" includes a surety for the insolvent or debtor as well as a person who in law is in a position analogous to that of a surety.

(2) An insolvent or a debtor who has assigned his estate shall be guilty of an offence and liable on conviction to imprisonment for a period not exceeding two years if, prior to the sequestration or assignment of his estate—

- (a) he contracted any debt of fifteen pounds or more or debts to the aggregate of fifty pounds or more without any reasonable expectation of being able to discharge such debt or debts; or
- (b) at a time when his liabilities exceeded his assets or during the period of six months immediately preceding the sequestration or assignment of his estate, he diminished his assets by gambling, betting, hazardous speculations or expenditure not reasonably necessary in connexion with the business or vocation or for the maintenance of himself and his dependants:

Provided that in any proceedings for a contravention of paragraph (a) of this sub-section, the insolvent or debtor shall, unless the contrary is proved, be deemed to have contracted the debt or debts without having had a reasonable expectation of discharging the same, if the debt or debts were contracted—

- (i) at a time when his liabilities exceeded his assets; or
- (ii) within a period of six months immediately preceding the sequestration or assignment of his estate.

139. A person shall be guilty of an offence and liable on conviction to imprisonment for a period not exceeding three years—

- (a) if at any time during the sequestration or assignment of his estate, he, knowing or suspecting that a false debt has been or is about to be proved against his estate, fails for a period of seven days to inform in writing the Master and his trustee or assignee; or
- (b) if within fourteen days after the appointment of the trustee or assignee—
  - (i) he fails to deliver to the trustee or assignee, or as the trustee or assignee may direct, any such assets of whatever nature in the estate as may be in his possession or custody or under his control; or
  - (ii) he fails to inform the trustee or assignee of the existence and whereabouts of any asset in the estate (other than an asset referred to in sub-paragraph (i), which is not fully disclosed in his schedules framed under this Proclamation or any amendment thereof or which is not already in the possession of the trustee or assignee; or
  - (iii) fails to deliver to the trustee or assignee or sheriff, or as any of them may direct, all books, documents, papers and writings in his possession or custody or under his control, relating to his assets or affairs; or
  - (iv) fails to inform the trustee or assignee of the existence or whereabouts of any such book, document, paper or writing not in his possession or custody or under his control, if the same is not already in the possession of the trustee or assignee;

unless, in any such case, he satisfies the Court that he had a lawful excuse for the failure;

- (c) if, at any time after the sequestration or assignment of his estate, he fails to furnish at the request of the trustee, or assignee, complete and truthful information regarding any asset in his possession or custody or under his control, or which was at any time in his possession or custody or under his control, or which was at any time in his possession or custody or under his control or regarding the time when or the manner or circumstances in which he disposed of such assets or ceased to be in possession, custody or control thereof, unless he satisfies the Court that he had a lawful excuse for such failure.

140. A person shall be guilty of an offence and liable on conviction to imprisonment for a period not exceeding one year—

- (a) if, during the sequestration or after the assignment of his estate, he obtains credit to an amount exceeding ten pounds without previously giving information to the person from whom he obtains credit that he is insolvent or has assigned his estate, unless he satisfies the Court that such person had knowledge of that fact; or
- (b) if he grants, promises, or offers any gift, payment or security or any consideration whatever in order to procure the consent of any creditor to an assignment or offer of composition or to prevent opposition to a rehabilitation or, during the sequestration or after the assignment of any estate, to induce any person to refrain from investigating any matter relating to that estate or from disclosing any information in regard thereto; or
- (c) if he contravenes or fails to comply with the provisions of section fifteen, or of sub-section (2) of section twenty-one, or of sub-section (4) of section seventy-six of this Proclamation or any amendment thereof, unless he satisfies the Court that he had a lawful excuse for such contravention or failure; or
- (d) if he makes any false statement in the schedules or statement referred to in sub-sections (2) and (3) of section four or in section fifteen or one hundred and seventeen of this Proclamation or any amendment thereof, or in the statement referred to in the proviso to sub-section (2) of section twenty-one of this Proclamation or any amendment thereof:

Provided that in any proceedings for an offence against paragraph (c) of this section, for a failure to comply with the requirements of section fifteen of this Proclamation or any amendment thereof, a certificate under the hand of the Master to the effect that the accused has failed to lodge with the Master his schedules or statement of affairs, as required by the said section fifteen, shall be *prima facie* evidence of such failure.

141. A person shall be guilty of an offence and liable on conviction to imprisonment for a period not exceeding six months—

- (a) if, being by this Proclamation or any amendment thereof required to attend at the first or second meeting of creditors in an estate or an adjournment thereof, or in the case of a further meeting, being duly required in writing by the trustee or assignee to attend, he absents himself without the written permission of the presiding officer; or
- (b) if, being an insolvent or having assigned his estate and being thereto required in writing by the trustee or assignee, he fails to give a true, clear and detailed explanation of his insolvency or assignment or fails to account correctly and in detail for the excess of his liabilities over his assets; or
- (c) if, being an insolvent or having assigned his estate and being under examination at a meeting and being thereto required by the trustee, the assignee or the officer presiding, or any creditor or by the agent of any of them, fails to account for or to discover what has become of any of his property which is proved to have been in his possession so recently before the sequestration or the assignment that in the ordinary course he ought to be able to account for the same; or
- (d) if, being an insolvent or having assigned his estate, he fails to keep the trustee or assignee informed of his residential address.

142. A person shall be guilty of an offence and liable on conviction to the punishment provided by law for the crime of perjury if, when being examined on oath under this Proclamation or any amendment thereof, he makes a false answer to any lawful question, knowing such answer to be false or he makes any false statement whatever relative to the subject matter of the inquiry knowing such statement to be false.

143. Any person referred to in section fifty-five or in section one hundred and twenty-nine of this Proclamation or any amendment thereof and any person who has assigned his estate, shall be guilty of an offence and liable on conviction to imprisonment for a period not exceeding six months, if, being summoned to appear at a meeting of creditors or before the Court or any Commissioner under either of these sections, he conceals himself or quits the territory or without reasonable cause fails to appear.

144. Any person who is insolvent or has assigned his estate and the spouse of any such person shall be guilty of an offence and liable on conviction to imprisonment for a period not exceeding six months if, being duly summoned to give evidence in any proceedings either for or against the trustee or assignee he conceals himself or herself or quits the territory or without reasonable cause fails to attend those proceedings or refuses to answer any question which may be lawfully put to him or her.

145. A person shall be guilty of an offence and liable on conviction to imprisonment for a period not exceeding six months if he suffers himself to be induced by any gift, payment, security or any consideration whatever or by any promise or offer of any gift, payment, security or consideration to discontinue or abstain from any proceedings for the sequestration of an estate or to agree to or not to oppose any composition in an estate or the discharge or rehabilitation of an insolvent or to refrain from investigating any matter relating to an insolvent or assigned estate or from disclosing any information in regard thereto.

146. (1) Any person shall be guilty of an offence and liable on conviction to imprisonment for a period not exceeding three years if, either before or after the sequestration or assignment of any estate, he removes, conceals, disposes of, deals with or receives any asset belonging to that estate with intent to defeat an attachment under section six of this Proclamation or any amendment thereof, or by virtue of a sequestration order, or with intent to defraud the creditors in that estate: Provided that in any proceedings for an offence under this sub-section any such removal, concealment, disposal of, dealing with or receipt of assets which has the effect of defeating or is calculated to defeat such attachment or which prejudices or is calculated to prejudice the creditors in that estate, shall, unless the contrary is proved, be deemed to have been committed with intent to defeat the attachment or (as the case may be) to defraud those creditors.

(2) A person who has in his possession or custody or under his control any asset belonging to an insolvent or assigned estate shall be guilty of an offence and liable on conviction to a fine not exceeding three hundred pounds or to imprisonment without the option of a fine for a period not exceeding one year if knowing of the sequestration or assignment of the estate and that the asset belongs to it he fails to inform the trustee or assignee of the estate as soon as possible of the existence and whereabouts of the asset and to deliver it to, or place it at the disposal of, the trustee or assignee.

(3) The provisions of this section shall not apply to the insolvent or to the debtor who has assigned his estate, but nothing in this sub-section shall prevent the application of the section to an insolvent or such a debtor in respect of assets belonging to another estate which has been sequestrated or assigned.

147. A partner who does, or omits to do in relation to the property or affairs of the partnership, and any person charged by law with the administration of an estate who does, or omits to do, in relation to the property or affairs of that estate any act which if done or omitted by him under the like circumstances in relation to his private estate would have been punishable under this Proclamation or any amendment thereof, shall be guilty of the same offence.

148. (1) Any servant, agent or manager having the sole or practical control of the affairs of his employer or principal shall, upon the sequestration or assignment of the estate of his employer or principal, be liable to criminal proceedings and punishment for all offences under this Proclamation or any amendment thereof to the same extent as if that servant, agent or manager were the insolvent or the debtor whose estate has been assigned: Provided that the liability of the insolvent or debtor to criminal proceedings for any such offence shall not thereby be affected.

(2) Whenever in any criminal proceedings under this Proclamation or any amendment thereof any liability incurred by an insolvent or by a debtor who has assigned his estate, or the date or time when the liability was incurred, is in issue or relevant to the issue proof that liability has been admitted under any of the provisions of sections forty-two to forty-eight inclusive of this Proclamation or any amendment thereof shall be sufficient evidence



of the existence of the liability and the liability shall be deemed to have been incurred upon the date or at the time alleged in any documents submitted in support of any claim in respect of the liability: Provided that any party to such criminal proceedings may prove that no such liability or that a lesser or a greater liability was incurred or that it was incurred on a date or at a time other than as so alleged.

#### CHAPTER IX.

##### Judicial.

149. The Court shall have jurisdiction under this Proclamation over every debtor and in regard to the estate of every debtor who—

- (1) at the date of the presentation of a petition for the sequestration of his estate, is—
  - (a) possessed of or entitled to property within the jurisdiction of the Court;
  - (b) domiciled or resides or has a dwelling-house, or place of business or carries on business within the jurisdiction of the Court;
- (2) at any time within twelve months immediately preceding the presentation of the petition has ordinarily resided or had a dwelling-house or place of business or carried on business within the jurisdiction of the Court;
- (3) has assigned that portion of his estate which lies within the jurisdiction of the Court:

Provided that when it appears to the Court equitable or convenient that the estate of a person not domiciled in the territory should be sequestrated elsewhere, the Court may refuse or postpone the sequestration.

150. (1) The Court may rescind, vary, or amend any order made by it under the provisions of this Proclamation.

(2) Every person aggrieved by any decision, ruling, order, appointment, or taxation of the Master under this Proclamation may bring the same under review by the Court and to that end may apply to the Court by motion, due notice whereof shall be given to the Master and to any person whose interests are affected: Provided that where the general body of creditors is affected, notice to the trustee or assignee shall be notice to all such creditors.

(3) Every person aggrieved by any decision, ruling, or order of the officer presiding at a meeting of creditors may bring the same under review by the Court in manner herein before prescribed for the review of any decision, ruling, or order of the Master and upon giving the like notice to the presiding officer and persons affected.

(4) Nothing in this section contained shall authorize the Court to reopen any duly confirmed account or plan of distribution or of contribution otherwise than as is provided in section ninety-seven.

151. The Resident Commissioner may make rules, not inconsistent with this Proclamation, regulating the procedure to be followed under this Proclamation by the Court or any commissioner appointed by the Court.

152. (1) Whenever a claim against a sequestrated or assigned estate is in respect of the value of goods delivered to the debtor after the commencement of this Proclamation under an agreement containing a condition whereby the passing of the property in such goods is suspended until certain payments prescribed in the agreement have been made such agreement shall be regarded on the sequestration or assignment of the debtor's estate as creating in favour of the creditor a special pledge of such goods whereby the amount outstanding of such payments is secured. The trustee or assignee shall, if required by the creditor, deliver such goods to him, and thereupon the creditor shall be deemed to be a creditor holding movable property as security for his claim and the provisions of section seventy-seven of this Proclamation shall apply.

(2) If after sequestration or assignment of the debtor's estate the trustee or assignee thereof ascertains that such goods have been returned by the debtor to the creditor within a period of one month prior to the sequestration or assignment, the trustee or assignee shall be entitled to demand that the creditor deliver to him such goods or the value thereof at the date when they were so returned to the creditor, subject to payment by the trustee or to deduction from the value (as the case may be) of the difference between the total amount payable under the said agreement and the total amount actually paid thereunder. In the event of the goods being delivered to the trustee or assignee the provisions of sub-section (1) of this section shall apply.

153. (1) In every agreement between a trader and another person for the sale and purchase of goods under a condition whereby the passing of the property therein is suspended until certain payments prescribed in the agreement have been made to the trader, there shall be implied the further following conditions notwithstanding anything to the contrary contained in such agreement:—

- (a) In the event of the trader resuming under the terms of the agreement possession of the goods, the other party to the agreement shall be entitled, if within a period of twenty-one days after the resumption of the goods he pays all arrears due under the agreement, to demand delivery of the goods at the trader's place of business or at the option of the trader at the premises in which the goods are stored if such premises are less than ten miles distant from the residence or place of business of the other party and to be reinstated in his rights under the contract;
- (b) in the event of the trader resuming under the terms of the agreement possession of the goods after he has been paid not less than sixty per cent. of all amounts payable under the agreement by the other party thereto, then that party shall be entitled, within twenty-one days after the resumption of the goods, to require the trader either to sell them by public auction within one month from the date of the requirement or, if the parties so agree, by private treaty. The auctioneer shall be nominated by both parties, or, in default of such nomination, by the Assistant Commissioner of the district in which the goods are. After the sale the trader shall, after deducting the costs incidental thereto and all moneys payable under the agreement less the total amount of any payments actually made thereunder, pay over the balance of the proceeds of sale to the other party, and the trader shall in every case furnish to the other

party a full statement of account in relation to the matter. In the event of the net proceeds of sale being insufficient to discharge such moneys the trader may recover the deficiency from that other party by action in a competent court.

(2) The provisions of this section shall not apply to an agreement entered into before the commencement of this Proclamation.

154. (1) Every purchaser of immovable property who has under agreement of purchase undertaken to pay the purchase price thereof in instalments at specified periods and who has paid to the vendor of the property in such instalments not less than fifty per cent. of the agreed purchase price shall be entitled to demand from the vendor transfer of that property on condition that, simultaneously with the registration of transfer, there shall be registered in favour of the vendor a first mortgage bond over the said property to secure the balance of the purchase price and interest in terms of the agreement of purchase.

(2) If the seller is unable or fails to give such transfer as soon as may be and in any case not later than three months after receiving such demand, the purchaser may treat the contract as cancelled and may recover the purchase price paid by him together with such damages as he may have sustained.

(3) The provisions of this section shall not apply to an agreement for the purchase of property entered into before the commencement of this Proclamation or to any agreement for such purchase whenever entered into, if the vendor is the Government of the territory.

155. (1) Among the duties of a trustee or assignee shall be included the investigation of the transactions of the insolvent or debtor who has assigned his estate prior to insolvency or assignment, and every trustee or assignee shall give such assistance in relation to the prosecution of any insolvent under this Proclamation as the Master may direct and, if the trustee or assignee fail to perform that duty, the Master may disallow his remuneration wholly or in part.

(2) It shall not be competent for any person without the leave of the Court to bring an action for malicious prosecution against the trustee or assignee of his estate.

(3) The Master may at all times require a trustee or assignee to deliver to him any documents or assets belonging to the estate and to answer any inquiry made by him in relation to the estate under the administration of the trustee or assignee, and may, if he think fit, apply to the Court to examine on oath the trustee, assignee or any other person concerned in the administration, and may also direct an investigation to be made of the books and vouchers of the trustee or assignee.

(4) The Master may cause an independent investigation to be made of the affairs of the debtor or insolvent at any time after publication of any notice of surrender or assignment of an estate or after a provisional order of sequestration has been granted as well as during the sequestration or assignment thereof.

(5) For the purpose of any such investigation as is described in sub-section (1) every trustee and assignee shall be given by the Collector of Income Tax and the officers under him access to any returns made by the insolvent and in the possession or custody of the Collector of Income Tax which show the amounts of gross income, income, taxable income and taxable amount in any year of an insolvent or debtor who has assigned his estate, and the sources of any such income. Such trustee or assignee shall be entitled to make copies of any such return so far as they indicate such amounts and sources of income. Such copies shall, at the request of the trustee, be certified as correct by the Collector of Income Tax or the Assistant Collector of Income Tax, and when so certified, shall on the production thereof, be admitted in evidence in any proceedings, civil or criminal. (The provisions of this sub-section shall have effect, anything to the contrary notwithstanding in section four of Proclamation No. 52 of 1920.)

156. (1) Any record purporting to be the minutes of a meeting under this Proclamation, or of proceedings under section one hundred and twenty-nine and purporting to be signed at the time thereof by any person describing himself as Master, Assistant Commissioner or other presiding officer or by the Commissioner (as the case may be) shall upon production by any person be received as *prima facie* evidence of the proceedings recorded therein.

(2) Until the contrary is proved, it shall be presumed that any meeting whereof a minute has been signed as above was duly convened and held and that all resolutions and proceedings at such meeting were in order.

157. (1) No proceedings in insolvency or under an assignment and nothing done under this Proclamation shall be invalidated by a formal defect, unless such substantial injustice has been thereby done as in the opinion of the Court cannot be remedied by any order.

(2) No defect or irregularity in the election or appointment of a trustee shall vitiate anything done by him in good faith.

158. (1) It shall be the duty of the insolvent or of a person who has assigned his estate to keep his trustee or assignee informed of his residential and postal address. Any notice under this Proclamation required to be given to the insolvent or to be served upon him may be given or served by registered letter prepaid and put into the post directed to that postal address.

(2) Every person claiming to be a creditor of an estate may register his name and address within the territory with the trustee upon payment to the trustee of a fee of two shillings and sixpence. Thereupon it shall be the duty of the trustee or assignee to send to that address due notice of every meeting which is about to be held together with a copy of every liquidation account and plan of distribution, or contribution about to be lodged with the Master. Failure on the part of the trustee or assignee to notify any such creditor as aforesaid shall be deemed a failure to perform his duties but shall not invalidate anything done under this Proclamation.

159. (1) As often as the Master is by this Proclamation required or allowed or any creditor is allowed to institute proceedings against a curator, trustee or assignee for his removal from office or for the purpose of compelling him to discharge any duty, such proceedings may be by motion to the Court after notice to such curator, trustee or assignee.

(2) The costs of all proceedings which are caused by any act or omission of the trustee or assignee shall be payable by him personally, unless the Court otherwise order.

(3) Any costs ordered by the Court to be paid by the trustee or assignee personally shall, if not recovered from him, be payable out of the estate.



160. (1) The Master shall be and is hereby authorized and required to charge, recover and retain in respect of the several acts and things mentioned in the Fourth Schedule to this Proclamation such fees as are therein specified.

(2) Any costs and expenses incurred by the Master or a presiding officer in the protection of the assets of an estate or in carrying out any provision of this Proclamation or any amendment thereof shall, unless the Court otherwise order, be regarded for the purposes of this Proclamation or any amendment thereof as included in the costs of sequestration.

161. The Master shall have the custody of all documents relating to insolvent or assigned estates. A copy or extract from any document or record, of which the Master has the legal custody or control under this Proclamation, duly certified as true by the Master, shall be receivable in evidence before any Court, and shall be of like value and effect as the original document or record.

Certified copies or extracts may be handed into Court by the party who desires to avail himself of the same.

It shall not be necessary for the Master himself, or for any officer under him to produce any original document in the custody or control of the Master, but it shall be deemed sufficient if such document is produced by some person authorized by him to do so.

162. (1) After six months have elapsed from the confirmation of the final account and plan in any insolvent or assigned estate, the trustee or assignee may, unless the Court otherwise order, destroy all the books and documents in his possession relating to the estate other than those which he is required to lodge with the Master: Provided that not less than six weeks before so doing he shall, by advertisement in the *Gazette*, give notice of his intention to do so; whereupon any creditor who has proved his claim against the estate may apply to the Court by motion for an order prohibiting or delaying the destruction of those books and documents. The Court shall make such order thereon as to it may seem fit.

(2) After five years have elapsed from the rehabilitation of any insolvent or from the confirmation of the final account and plan of any assigned estate, the Master may destroy all records in his office relating to the estate.

(3) This section shall apply to all insolvent estates which have been finally liquidated or are in course of liquidation at the commencement of this Proclamation.

163. The High Commissioner may from time to time make regulations not inconsistent with the provisions of this Proclamation—

- (a) for the management and good conduct of the business of and of the practice and procedure to be observed in the Master's Office;
- (b) prescribing the form and manner of proceedings under this Proclamation;
- (c) prescribing the manner in which fees payable under this Proclamation shall be paid and brought to account.

164. This Proclamation may be cited for all purposes as the Basutoland Insolvency Proclamation 1927 and shall commence and come into operation on the first day of January 1928.

GOD SAVE THE KING.

Given under my Hand and Seal at Capetown this Second day of June One thousand Nine hundred and Twenty-seven.

ATHLONE,

High Commissioner.

By Command of His Excellency the  
High Commissioner.

SHIRLEY EALES,

Acting Imperial Secretary.

#### FIRST SCHEDULE.

##### FORMS.

##### A.—Notice of Surrender.

Notice is hereby given that application will be made to the Resident Commissioner's Court on.....the.....day of.....19.....at.....o'clock in the forenoon for the surrender of the estate of (a) A.B. of.....

.....as insolvent, and that his schedules will lie for inspection at the office of the Master of Court, Maseru (b) (and at the office of the Assistant Commissioner at.....) for a period of fourteen days from the.....day of.....to the.....day of.....19.....

(Sgd.) .....

Applicant (or Applicant's Agent, as the case may be).

.....19.....

(a) Here insert the full name of the debtor (with the full style or firm, if a partnership, and the full names of all the partners) his occupation and address.

(b) If the schedules are to lie for inspection only at the Master's Office, omit the words in brackets.

##### B.—Debtor's Schedules.

Balance-sheet of (a).....

Estate Dr.		Estate Cr.
	£ s. d.	£ s. d.
To debts due as per Annexure D.....		By Immovable Property as per Annexure A.....
		By Movable Property, Furniture, Stock-in-trade, etc., as per Annexure B
		Outstanding debts, etc., as per Annexure C.....
		Deficiency.....
TOTAL.....£		TOTAL.....£

(a) Here insert the full name of the debtor.

#### ANNEXURE A.

##### Particulars of Immovable Property.

	Description of Property.	Situation and Extent.	Mortgages Thereon.	Estimated Value.
Property situate in Basutoland.....				£ s. d.
			TOTAL...£	
Property situate elsewhere.....				
			TOTAL...£	

#### ANNEXURE B.

##### Particulars of Furniture, Stock-in-Trade, Live Stock, Husbandry, Shares in Companies, Insurance Policies, etc., and all Movable Property not included in Annexure C.

	Description of Property.	Estimated Values.
Property situate in Basutoland		£ s. d.
	TOTAL.....£	
Property situate elsewhere...		
	TOTAL.....£	

#### ANNEXURE C.

##### Outstanding Debts, Bills, Bonds, and other Securities.

	Name and Residential and Postal Address of the Debtor.	Particulars of Debt.	Amount Good.	Amount Bad or Doubtful.
In Basutoland..			£ s. d.	£ s. d.
		TOTAL...£		
Elsewhere.....				
		TOTAL...£		

#### ANNEXURE D.

##### List of Creditors.

Name of Creditor and Address.	Nature of Value of Security for Claim.	Nature of Claim.	Amount of Claim.
			£ s. d.
		TOTAL...£	

The foregoing balance-sheet shall be verified by affidavit, as near as may be in the subjoined form, of the debtor or some other person presenting the petition or executing the deed of assignment on behalf of the debtor.

#### AFFIDAVIT.

I, ....., declare under oath that to the best of my knowledge and belief the statement of affairs contained in the foregoing Balance-sheet and the Annexures thereto, marked A, B, C, and D, is a true and complete statement of all assets and liabilities of.....(or my estate), and that every valuation therein contained is a fair and correct valuation, and that none of the assets therein appearing are mortgaged, pledged, or under attachment, (a) save only those

(a) If no assets are mortgaged, pledged, or under attachment, strike out and initial the words following to the end of this paragraph.



Sworn, etc.

C.—*Affidavit for the Proof of an Open Account, etc.*

Sworn this.....day of.....at.....

Before me.

*D.—Affidavit for the Proof of Debt on a Promissory Note  
or Bill of Exchange.*

..... makes oath and says that A.B., whose estate has been assigned for the benefit of his creditors/placed under sequestration in the hands of the Master of Court, was, at the assignment/issuing of the sequestration order thereof, and still is, justly and truly indebted to..... in the sum of..... for..... according to the account hereunto annexed, and that the claim (a) was not/was acquired by cession or purchase since the institution of the proceedings whereby the estate was (a) assigned/placed under sequestration. And this deponent further says that he has not, nor has any other person, to his knowledge, or for the use of..... received any security for the said debt, or any part thereof, save and except the following promissory note or bill of exchange:—

(b) And this deponent says lastly that when the right of set-off claimed by him and appearing from the account hereto annexed accrued he did not know of any act of insolvency upon which the estate was afterwards sequestered, or of the intention of the insolvent to surrender his estate, or that the insolvent's assets were insufficient to discharge his liabilities.

Sworn this.....day of.....at.....

Before me,

(a) Strike out and initial alternative words not required.  
(b) When no compensation or set-off is claimed, strike out this clause.

**E**

Sir

Please to take notice that a deed of assignment whereby A.B. of.....has assigned his estate in my favour in trust for his creditors has been signed and executed by the said A.B. and C.D. of....., a creditor of the said A.B., and by me, E.F., of....., the assignee under the deed, and that it appears from the debtor's schedules that the properties mentioned in the annexure hereto are assets of his estate.

Yours obediently,

### Assignee under the Deed.

*N.B.*—The notice must contain (1) full name and address of the debtor (with the style or firm, if a partnership, and the full names of all the partners; (2) the full name, address, and occupation of the assignee under the deed; (3) full particulars of the properties mentioned in the annexure.

*F.—Notice of Assignment.*

Notice is hereby given that (a) A.B., of.....  
has made an assignment of his property in favour of C.D., of.....  
....., in trust for the creditors of the said A.B., if  
they accept the same, and that the schedules of the said A.B. will  
lie for inspection and the deed of assignment for inspection and  
signature by all creditors entitled to sign at the office of the Master  
of Court, Maseru (b) (and at the office of the Assistant Commis-  
sioner at.....) for a period of fourteen days from  
the.....day of.....19..... to the.....  
day of.....19.....

It is further notified that, if the said assignment shall be declined, application will be made to the Resident Commissioner's Court on.....the.....day of.....19.....at.....o'clock in the forenoon, for the surrender of the estate of the said A.B. as insolvent.

(Signature of the debtor or the person who executed the deed on his behalf.)

19.....

(a) Here insert the full name of the debtor (with the full style or firm, if a partnership, and the full names of all the partners).  
(b) If the deed and the schedules are to lie only at the Master's Office, omit the words in brackets.

G.

In the Court of the Resident Commissioner of Basutoland.

I certify that under and by virtue of a deed of assignment of the estate of.....

registered by me in due course under the provisions of section *one hundred and twenty-three* of the Basutoland Insolvency Proclamation, 1927, on the.....day of.....19.....

..... is/are the assignee/assignees of the said estate and entitled as such to administer the estate in terms of the deed of assignment and in accordance with the provisions of the said Proclamation.

Given under my hand in the Master's Office, Basutoland, this  
.....day of.....19.....

Master of Court.

## SECOND SCHEDULE

## TARIEF A.

### Sheriff's Fees and Remuneration.

For the execution of a writ of attachment against movable property found on the same premises, from 10s. 6d. to	£1	1	0
For each separate premises beyond the first on which goods are attached, each 5s. to	0	10	6
For taking inventory, per 100 words, or portion thereof	0	5	0
For copy thereof (where necessary) per 100 words or portion thereof	0	1	0
For assistance (where necessary) in taking inventory—			
(a) if within a radius of three miles from the sheriff's office, per day (inclusive)	0	10	6
(b) if beyond that radius, per day (inclusive)	1	1	0
For notice of attachment of movable property where necessary	0	5	0
For each separate possession, per day or portion thereof (board included), a reasonable fee not exceeding	0	10	6
For removal and storage, the necessary costs of removal and storage.			
For herding and preserving live stock, the necessary costs of herding and preserving the stock.			
Travelling allowance, per mile or fraction thereof	0	1	0

Where the sheriff is necessarily accompanied by an officer or assistant, additional travelling allowance may be charged at half the above rate.

*Rules for the Construction of the Tariff and the Guidance of the Sheriff.*

1. In this tariff and rules "sheriff" means the deputy-sheriff by whom the service in question is performed.

"Possession" means the continuous and necessary presence on the premises and for the period in respect of which possession is charged of a person employed and paid by the sheriff for the sole purpose of retaining possession.



2. The charge for herding and preserving live stock and the fee for possession shall not run concurrently in respect of the same property, but in addition to the said charge the sheriff shall be entitled to a commission of not exceeding one and a half per cent. on the value of the live stock.

3. Where there are more ways than one of doing any particular act, the least expensive way shall be adopted, unless there is some reasonable objection thereto.

4. Travelling allowance shall not be payable unless it was necessary for the sheriff to go beyond a radius of three miles from his office, and, when payable, shall be paid for the actual distance travelled in going from and returning to the office.

5. Travelling allowance shall include all expense incurred in travelling, e.g. train fare.

6. Where more services than one may be done on the same journey, the distance to the first place of service may be brought into account only once, and shall be apportioned equally to the respective services; and the distance from the first place of service to the remaining places of service shall similarly be apportioned equally to the remaining services.

7. (a) The sheriff may not charge for an inventory for his own use.

(b) Where an execution has been stopped by publication of notice of surrender or by sequestration after an inventory has been made, no second inventory shall be made of the same goods, and the sheriff's charges for making the inventory shall be payable by the estate, according to tariff, and not by the execution creditor unless the estate is unable to pay the same.

8. The sheriff may pay rent, if necessary, to secure undisturbed possession of the premises on which goods have been attached for a period of one month, or such longer period as the Master shall authorize.

9. The allowance for all work necessarily done, for which no provision is contained in the tariff, shall be assessed, and every question arising under or relative to such tariff shall be determined by the Master.

#### TARIFF B.

##### *Remuneration of Trustees and Assignees subject to Taxation by the Master in terms of section eighty.*

Upon the proceeds of movables (other than shares or similar securities) sold, promissory notes, book debts, rent, interest, or other income collected ...	5 per cent.
Upon the proceeds of immovables, shares, and similar securities sold, life policies, and mortgage bonds recovered—	
upon the first £5,000 thereof ...	2½ "
Thereafter upon each £100 thereof ...	1½ "
Upon cash found in the bank or in the estate ...	1 "

Minimum remuneration:  
In respect of any one estate, including remuneration under above heads, a minimum remuneration of from three guineas to five guineas.

If the total remuneration of a trustee or assignee under this tariff is less than forty pounds in all, he shall be entitled, up to that amount, to remuneration at the rate of five per cent. on the value of all the assets of the estate.

##### *Remuneration of Curators Bonis and Provisional Trustees.*

A reasonable remuneration, to be taxed by the Master, not to exceed the above rates.

#### TARIFF C.

##### *Costs of Assignment, subject to Taxation by the Master in terms of section one hundred and twenty-seven.*

Instructions for assignment, from 10s. 6d. to ...	£2 2 0
Drawing deed of assignment, per folio ...	0 5 0
For every necessary copy thereof, per folio ...	0 1 0
Preparation of schedules and affidavit, according to length and complexity, from £1. 1s. to ...	5 5 0
Drawing notices and all attendances where one agent employed, a fee in the discretion of the Master not to exceed ...	3 3 0
Where two agents necessarily employed, a fee in the discretion of the Master not to exceed ...	5 5 0
Necessary disbursements, including stamps, cost of publication, etc.	

#### THIRD SCHEDULE.

For every certificate under the hand of the Master ...	£0 5 0
For every report in the discretion of the Master, subject to taxation by the Court, not less than ...	0 10 0
For inspection of documents in any one estate, excepting by or on behalf of trustee or assignee ...	0 2 6
For binding documents in each estate, according to the size of the estate, in the discretion of the Master, from 7s. 6d. to ...	1 10 6
For taxing trustee's or assignee's remuneration or bill of costs on every one pound or fraction of a pound of the amount taxed ...	0 1 0
For every deed of assignment registered under this Proclamation ...	1 1 0
On the assets of any assigned or insolvent estate available for distribution, including any security taken over by a creditor under section seventy-seven:	
Up to and including £5,000 (minimum £1) ...	½ per cent.
Exceeding £5,000 ...	⅓ "
For extracts or copies of documents made or certified in the office of the Master:	
For the first 100 words ...	£0 2 6
For each subsequent 100 words or fraction thereof ...	0 1 0
On dividends paid by the trustee or assignee for account of creditors to the Master, a commission upon the amount paid of 5 per cent.	

#### FOURTH SCHEDULE.

##### *Master's Office.*

Upon every affidavit ...	£0 1 0
Upon every order of sequestration filed ...	0 10 0
Upon every other order of court filed ...	0 3 0
Upon every advertisement of meeting of creditors ...	0 5 0
For every attendance at a meeting of creditors ...	0 12 0
Upon every report of the filing of an account or of election of a trustee ...	0 10 0
Upon every certificate of appointment of a trustee or of the confirmation of an account ...	0 5 0
For each attendance in matters referred by the court ...	1 5 0
For every report in the same not exceeding five folios of one hundred words each ...	0 10 0
Each additional folio ...	0 1 0
Upon every application to search or inspect any account or document ...	0 1 0
Upon certified copies of documents when not exceeding four folios of one hundred words each ...	0 5 0
Each additional folio ...	0 1 0
Upon every order of rehabilitation or release from sequestration of an insolvent ...	1 0 0

(Printed by the Government Printer, Pretoria.)

No. 27 of 1927.]

#### PROCLAMATION

By His Excellency the High Commissioner.

Whereas it is expedient to make further and better provision to prevent the destruction of herbage, trees, and shrubs by fire in the European settled areas of the Francistown District of the Bechuanaland Protectorate hereinafter referred to as the said district;

Now therefore under and by virtue of the powers in me vested I do hereby declare, proclaim and make known as follows:—

1. In such areas of the said district as the High Commissioner, on the petition of not less than two-thirds of the owners of stock there residing or carrying on farming operations, may prescribe by Notice in the *Gazette*, it shall be compulsory for every owner of stock to contribute towards the expenses of maintaining fire guards, and otherwise providing against the destruction of herbage, trees and shrubs by grass fires, such sum not exceeding two pounds in any year as may be assessed upon him by the Resident Magistrate of the district under section six of this Proclamation.

2. In every year in which an assessment is made upon owners of stock under the last preceding section the Tati Company shall be liable to contribute an amount equal to the total amount so assessed against owners of stock but not exceeding £50 in all and such amount on notification thereof to the Company by the Resident Magistrate shall be due and payable by the Company to the Treasury of the Bechuanaland Protectorate. A like amount shall be paid in every year by the Government of the Bechuanaland Protectorate.

3. The Resident Magistrate of the said district or any person duly authorized by him shall have power to burn or cause to be burnt fire belts or strips at his discretion after consultation with the Farmers' Association of the district, and all expenditure incurred therein shall be defrayed from the funds contributed in accordance with sections one and two.

4. Any owner of stock may with the consent of his immediate neighbour burn a firebelt between their respective farms in which case the belt shall be burnt under their personal supervision or the supervision of their authorized representatives and in such case no responsibility shall rest upon the Resident Magistrate or the Government for any damage that may be caused by the burning of such belt or in the course of any operations connected therewith.

5. As soon as the amount expended in any year under section three has been ascertained the Resident Magistrate of the district shall determine the amount to be contributed by the owners of stock and the Tati Company in accordance with this Proclamation. He shall thereupon make an assessment upon the owners of stock in accordance with section one and shall notify each owner of the amount assessed upon him and shall also notify the Tati Company of the amount payable by it under section two.

6. If any owner of stock who has been notified of the amount assessed upon him as provided in the preceding section shall refuse or fail to pay, the amount so assessed may be recovered in the Court of the Resident Magistrate of the district in which such owner resides or carries on farming operations by summary civil proceedings. Any sums due and payable by the Tati Company under this Proclamation may be recovered as a debt due from the Company in any competent Court.

7. The High Commissioner on receipt of a petition from more than one half of the owners of stock of any area in the said district shall by Notice in the *Gazette* withdraw the application of this Proclamation to the said area as from the end of the calendar year in which the petition is received.

8. The said district for the purposes of this Proclamation shall be defined as the area included within a line running from a point where the railway crosses the Shashi River along the Northern boundary of the Old Tati District to the Sekukwe River, North along the Sekukwe River to where it reaches the railway line at Beacon 1246. Along the railway line from Beacon 1246 to Beacon 1263. Due East from Beacon 1263 to the Ramagabane River. North along the Ramagabane River to the Native Reserve. Along the southern boundary of the Native Reserve to the Vukwe River. South along the Vukwe River to its junction with the Shashi River, and along the Shashi River to the Railway Bridge.

9. The words "owner of stock" in this Proclamation shall include any European owner who owns or keeps twenty-five or more head of stock in the said district.

The word "stock" shall include any horse, mare, gelding, colt, filly, mule or ass; and bull, cow, ox, heifer or calf; also any sheep, lamb, goat, kid, pig or domesticated ostrich.



10. This Proclamation may be cited as the Bechuanaland Protectorate Herbage Preservation (Further Provision) Proclamation 1927 and shall have force and take effect from the date of its publication in the *Gazette*.

GOD SAVE THE KING.

Given under my Hand and Seal at Cape Town this Tenth day of June One thousand Nine hundred and Twenty-seven.

ATHLONE,  
High Commissioner.

By Command of His Excellency  
the High Commissioner.

SHIRLEY EALES,  
Acting Imperial Secretary.

(Printed by the Government Printer, Pretoria.)

#### HIGH COMMISSIONER'S NOTICE No. 66 OF 1927.

It is hereby notified for general information that His Excellency the High Commissioner has been pleased to approve of the appointment of Ernest Edward Strong, Esquire, Sub-Inspector, Basutoland Mounted Police, to act as Assistant Commissioner in the Mafeteng District during the absence on leave of Francis Layton Foord, Esquire.

By Command of His Excellency the  
High Commissioner.

SHIRLEY EALES,  
Acting Imperial Secretary.

High Commissioner's Office,  
Cape Town, 8th June, 1927.

#### HIGH COMMISSIONER'S NOTICE No. 67 OF 1927.

It is hereby notified for general information that His Excellency the High Commissioner has been pleased to approve of the appointment of Robert Everitt King Murray, Esquire, to act as Sub-Inspector, Basutoland Mounted Police, during the absence on leave of Inspector Reginald Collier.

By Command of His Excellency the  
High Commissioner.

SHIRLEY EALES,  
Acting Imperial Secretary.

High Commissioner's Office,  
Cape Town, 8th June, 1927.

#### HIGH COMMISSIONER'S NOTICE No. 68 OF 1927.

It is hereby notified for general information that His Excellency the High Commissioner has been pleased to approve of the appointment of Doctor Harold Rundle Fitz Nattle to act as Principal Medical Officer for Basutoland during the absence on leave of Doctor Neil Morrison Macfarlane, C.B.E.

By Command of His Excellency the  
High Commissioner.

SHIRLEY EALES,  
Acting Imperial Secretary.

High Commissioner's Office,  
Cape Town, 13th June, 1927.

#### \* SWAZILAND GOVERNMENT NOTICE.

Under and by virtue of the powers in me vested by sub-section (2) of section one of Proclamation No. 6 of 1925, I hereby, with the approval of His Excellency the High Commissioner, declare that the substances mentioned in the Government Notices dated

\* Republished as amended.

the 7th June, 1924, and the 27th January, 1927, shall no longer be deemed to be habit-forming drugs within the meaning of the Swaziland Opium and Habit-forming Drugs Regulation Proclamation No. 37 of 1922, as amended.

And I hereby, with like approval, further declare that in addition to the habit-forming drugs mentioned in the said Proclamation, No. 37 of 1922, every other preparation, admixture, compound, or derivative of opium containing one-fifth or more per cent. of anhydrous morphine or other narcotic alkaloid shall be habit-forming drugs within the meaning of that Proclamation.

D. HONEY,  
Resident Commissioner.

Resident Commissioner's Office,  
Mbabane, Swaziland,  
23rd May, 1927.

(Printed by the Government Printer, Pretoria.)

#### SWAZILAND.

#### NOTICE OF INTENTION TO SURRENDER.

Notice is hereby given that OSWALD ROBERT RUSHTON HAMPSON, of Bremersdorp, District of Mbabane, Swaziland, intends to make application to the Honourable the Special Court of Swaziland at Mbabane, Swaziland, at 10 a.m. on Friday, the 8th day of July, 1927, for leave to surrender his Estate as insolvent; and that prior to such application his schedules and a statement of his affairs will lie for inspection of Creditors at the Office of the Master of the Special Court at Mbabane for a period of fourteen days from the date of the first publication of this notice.

Mbabane, Swaziland, 16th May, 1927.

A. MILLIN,  
Applicant's Attorney.  
20-27-3-10

P.O. Box 24, Mbabane, Swaziland.

#### POUND SALE.

#### STEGI, SWAZILAND.

To be sold by public auction at the Pound Kraal, Stegi, at 1 p.m. on Wednesday, 29th June, 1927, unless previously claimed:—

- 1 Grey donkey jack, right ear lopped.
- 1 Grey donkey mare with foal—no marks.
- 1 Grey donkey jack—no marks.

B. A. MARWICK,  
Poundmaster, Stegi.

#### NOTICE.

In the Insolvent Estate of the late ABDUL RAHIMAN MANSOOR, in life, trader, of Serutle, Butha Buthe, Basutoland.

The First Liquidation and Distribution Account in the above Estate will lie for inspection in the Office of the Master of Court, Maseru, and a duplicate thereof at the Office of the Assistant Commissioner, Leribe, for a period of three weeks from the 20th June, 1927, whereafter application will be made to the Court of the Resident Commissioner for confirmation thereof.

C. F. HENEY,  
Sole Trustee.

C/o Bloemfontein Board of Executors and Trust Co., Ltd.,  
Maseru, 9th June, 1927.



# Union of South Africa GOVERNMENT GAZETTE.

(Published on Fridays.)

## SUBSCRIPTION RATES.

The subscription rates to the *Union Gazette* (including *Official Gazette of the High Commissioner, Gazettes Extraordinary*, and Supplements, with Quarterly Index) are as follows:—

£1 for six months (post free).  
£2 for twelve months (post free).  
Price per single copy, 6d.

Subscriptions are payable in advance to the Government Printer, Pretoria, and may commence from the 1st of any month, but cannot be accepted for a shorter period than six months.

## ADVERTISEMENTS.

Rates of advertising are as follows:—

5s. per inch single column; repeats 3s.  
10s. per inch double column; repeats 6s.  
15s. per inch treble column; repeats 9s.

In order to arrive at the approximate space which an advertisement will occupy, advertisers should count the words in the *body* of the advertisement, and reckon—

For single column, 6 words to the line;  
For double column, 14 words to the line;  
For treble column, 21 words to the line;  
and 8 lines to the inch.

In each case an additional half-inch at top and bottom should be allowed for heading and signature respectively. **Fractions of an inch to be reckoned an inch.**

Notices to Creditors and Debtors in the Estates of Deceased Persons and Notices by Executors concerning Liquidation Accounts lying for inspection are published in schedule form at 8s. per Estate.

A fixed charge of 12s. per Estate is made for publishing notices in the scheduled forms prescribed in the Regulations made under the Insolvency Act, 1916.

Notices of acceptance of complete specifications in respect of Applications for Letters Patent are inserted in three consecutive issues for 10s.

Applications for Naturalization are inserted for 13s. (which includes a copy of *Gazette*).

**Only Legal Advertisements are accepted for publication** in the *Gazette*, and are subject to the approval of the Government Printer, who can refuse to accept or decline further publication of any advertisement.

Manuscript of advertisements should be written on one side of the paper only, and all proper names plainly inscribed; in the event of any name being incorrectly printed as a result of indistinct writing, the advertisement can be republished only on payment of the cost of another insertion.

**No Advertisement can be inserted unless it is Prepaid.**

All cheques, bank drafts, postal orders, or money orders must be made payable to the Government Printer, Pretoria, and crossed "South African Reserve Bank." *Cheques will only be accepted when initialed by the Bank.*

J. J. KRUGER,  
Government Printer.

# STAATSKOERANT van die Unie van Suid-Afrika.

(Verskyn elke Vrydag.)

## INTEKENGELD.

Die intekengeld vir die *Unie Staatskoerant* (insluitende die *Offisiële Koerant* van die Hoë Kommissaris, *Buitengewone Staatskoerant* en Supplemente, met Kwartaal-indeks) is as volg:—

£1 per ses maande (posvry).  
£2 per twaalf maande (posvry).  
Prys per los eksemplaar, 6d.

Intekengelde is vooruit betaalbaar aan die Staatsdrukker, Pretoria, en mag begin vanaf die late van enige maand, maar kan nie aangeneem word vir korter tydperk dan ses maande nie.

## ADVERTENSIES.

Die advertensietarief is as volg:—

5s. per duim, enkele kolom; herhalings 3s.  
10s. per duim, dubbele kolom; herhalings 6s.  
15s. per duim, drievoudige kolom; herhalings 9s.

Om die benaderde ruimte, wat 'n advertensie sal gebruik te bereken, moet adverteerders die woorde in die advertensie tel en reken as volg:—

Vir enkele kolom, 6 woorde per reël;  
vir dubbele kolom, 14 woorde per reël;  
vir drievoudige kolom, 21 woorde per reël;  
en 8 reëls per duim.

In elke geval moet 'n ekstra half-duim vir die hoof en die voet bereken word vir die titel en ondertekening respektief. **Gedeeltes van 'n duim moet as een volle duim gereken word.**

Kennisgewings aan Krediteure en Debiteure in die Boedels van Oorlede Persone en Kennisgewings deur Eksekuteure betreffende Likwidasierekenings wat vir inspeksie lê, word gepubliseer in skedulevorm teen 8s. per Boedel.

'N vasgestelde bedrag van 12s. per Boedel word bereken vir die publikasie in skedulevorm van kennisgewings voorgeskrywe deur die Regulasies opgetrek onder die Insolvensiewet, 1916.

Kennisgewings van akseptasie van volledige spesifikasies met betrekking tot Applikasies vir Oktrooibriewe word vir 10s. in drie agtereenvolgende uitgawes geplaas.

Applikasies vir Naturalisasie word vir 13s. geplaas, watter bedrag kopie van *Staatskoerant* insluit.

**Alleen wetlike advertensies word vir publikasie in die Staatskoerant aangeneem** en is onderworpe aan die goedkeuring van die Staatsdrukker, wat kan weier advertensies aan te neem of verder te publiseer.

Die manuskrip van advertensies moet alleen op een sy van die papier geskrywe word, en alle eiename moet duidelik geskrywe word; ingeval enige naam onjuis gedruk word ten gevolge van onduidelike skrif, kan die advertensie alleen weer gepubliseer word teen betaling van die koste van 'n tweede plasing.

**Geen advertensie kan geplaas word nie tensy dit vooruit betaal is.**

Alle tjeks, bankwissels, posorders of poswissels moet uitgemaak word op naam van die Staatsdrukker, Pretoria, en gekruis wees "Suid-Afrikaanse Reserwebank." **Alleen tjeks wat deur die Bank onderteken is sal aangeneem word.**

J. J. KRUGER,  
Staatsdrukker.