

CAYMAN ISLANDS

THE JUDICATURE (AMENDMENT) LAW, 1995

CAYMAN ISLANDS

Law 1 of 1995

I Assent

Governor

A LAW TO AMEND THE JUDICATURE LAW (REVISED)

ENACTED by the Legislature of the Cayman Islands.

Short title and
commencement. 1. (1) This Law may be cited as the Judicature (Amendment) Law, 1995,
and, subject to subsection (2) below, this Law shall come into force on 1st June,
1995.

(2) Paragraph 2 of the Schedule to this Law so far as it repeals section 30
of, and Schedules A, B and C to, the Judicature Law (Revised)
(in this Law referred to as "the Judicature Law"), shall come into
force on such date as may be appointed by order made by the
Governor in Council and different dates may be appointed for
different purposes and different provisions.

Amendments to the 2. The Judicature Law shall have effect as specified in the Schedule to this
Judicature Law. Law.

THE SCHEDULE

AMENDMENTS TO THE JUDICATURE LAW Section 2

1. After section 33 of the Judicature Law there shall be inserted the following sections -

"Court funds. 33A. Schedule 1 to this Law shall have effect with respect to the management and investment of funds in court, statutory deposits, common investment schemes and accounts relating to such funds and schemes.

Attachment of earnings. 33B. Schedule 2 to this Law shall have effect with respect to the attachment of earnings as a means of enforcing the discharge of monetary obligations.

Charging orders. 33C. Schedule 3 to this Law shall have effect with respect to the imposition of charges to secure payment of money due or to become due under judgments or orders of the court; and the Schedule has effect to make provision for restraining and prohibiting dealings with, and the making of payments in respect of, certain securities.

Imprisonment for non-payment of judgment debt. 33D. (1) Subject to any rules, the Grand Court may commit a person to prison for a term not exceeding 6 weeks if it is satisfied -

(a) that he is in default of payment of any sum due under a judgment debt;

(b) that he has the means to pay the judgment debt, whether in full or by installments; and

(c) that he is wilfully refusing or neglecting to satisfy the judgment debt in the manner in respect of which the court is satisfied he has the means.

(2) Any person imprisoned under this section shall be discharged out of custody upon a certificate signed in the prescribed manner to the effect that the judgment debt has been satisfied in full or the default in respect of which he was imprisoned has been cured.

(3) An order of committal under this section may be made against a person notwithstanding any previous such order (whether or not discharged) in respect of the same or another judgment debt.

Powers of enforcement. 33E. (1) Subject to the provisions of this section, and in addition to any jurisdiction conferred by this or any other

enactment, the Grand Court shall possess (for all purposes relating to the enforcement of judgments, orders, decrees and directions) the like jurisdiction within the Islands which is vested in or capable of being exercised in England by Her Majesty's High Court of Justice and the Divisional Courts of that Court.

(2) Subsection (1) above is without prejudice to the generality of section 13 of the Grand Court Law.

(3) A judge of the Grand Court may, for any purpose relating to the enforcement of a judgment, order, decree or direction of the Grand Court, exercise the jurisdiction of the Grand Court relating to that enforcement.

(4) In this section -

(a) references in subsection (1) above to Her Majesty's High Court of Justice and the Divisional Courts of that Court are to that Court and those Divisions as constituted by the Supreme Court Act 1981 and any enactment amending, modifying or replacing that Act; and

(b) references to a judgment, order, decree or direction shall be taken to include references to a judgment, order, decree or direction of any court (including any foreign court) which is or has become enforceable (whether wholly or to a limited extent) as if it were a judgment, order, decree or direction of the Grand Court."

2. (1) The provisions of the Judicature Law specified in sub-paragraph (2) below shall be repealed.

(2) The provisions are sections 8 to 11 inclusive, section 26, sections 29 to 31 inclusive, sections 34 to 59 inclusive and Schedules A, B, C and D to that Law.

3. Section 62 of the Judicature Law shall be repealed and the following section substituted -

"Power of court to award interest on debts and damages. 62. (1) Subject to rules of court, in proceedings (whenever instituted) before the Grand Court or the Summary Court for the recovery of a debt or damages there may be included in any sum for which judgment is given simple interest at such rate as the court thinks fit, not exceeding the rate prescribed from time to time by rules of court, on all or any part of the debt or damages in respect of which judgment is given or payment is made before judgment, for all or any part of the period between the date when the cause of action arose and -

(a) in the case of any sum paid before judgment, the date of payment; and

(b) in the case of the sum for which judgment is given, the date of the judgment.

(2) Subject to rules of court, where -

(a) there are proceedings (whenever instituted) before the Grand Court or the Summary Court for the recovery of a debt; and

(b) the defendant pays the whole debt to the plaintiff (otherwise than in pursuance of a judgment in the proceedings),

the defendant shall be liable to pay the plaintiff simple interest at such rate as the court thinks fit, not exceeding the rate prescribed by rules of court, on all or any part of the debt for all or any part of the period between the date when the cause of action arose and the date of payment.

(3) Interest in respect of a debt shall not be awarded under this section for a period during which, for whatever reason, interest on the debt already runs.

(4) Interest under this section may be calculated at different rates in respect of different periods.

(5) In this section "plaintiff" means the person seeking the debt or damages and "defendant" means the person from whom the plaintiff seeks the debt or damages.

(6) Nothing in this section shall affect the right of a plaintiff to enforce a contract which provides for the payment of interest, whether compound or simple, at a rate higher than that which may from time to time be prescribed by rules of court."

4. At the end of the Judicature Law there shall be added the following Schedules -

"SCHEDULE 1

COURT FUNDS

Section 33A

Management and investment of funds in court, etc.

1. (1) Subject to rules made under sub-paragraph (6) below, all sums of money and securities paid and deposited in or under the custody of the Grand Court shall be vested in the Accountant-General of the Grand Court ("the Accountant-General"), who shall be an officer of the court appointed for the purposes of this Schedule by the Governor in Council.

(2) One or more accounts shall be opened and kept in the name of the Accountant-General at such bank or banks as may be designated by the Governor in Council.

(3) Money and securities held by the Accountant-General shall vest in his successor in office without any assignment or transfer.

(4) A sum of money paid and deposited in Court may be invested and re-invested by the Accountant-General in any manner authorised by rules made under sub-paragraph (6) below.

(5) The Accountant-General may, in such cases as may be prescribed by rules made under sub-paragraph (6) below, apply to the court for an order for directions as to the manner in which a particular fund in court is to be dealt with.

(6) The Rules Committee of the Grand Court may make rules as to the payment of interest on funds in court and may make rules as to the administration and management of funds in court including the deposit, payment, delivery and transfer in, into and out of court of funds in court and regulating the evidence of such deposit, payment, delivery or transfer.

(7) Rules made under sub-paragraph (6) above may -

(a) provide for the discharge of the functions of the Accountant-General under the rules by a person or persons appointed by him;

(b) prescribe cases in which interest is to be paid on funds in court;

(c) prescribe cases in which funds in court are to be invested; and

(d) prescribed cases in which moneys payable under a judgment or order shall be paid into court.

(8) Any such rules may make different provision for different cases.

Statutory deposits

2. Where money or securities are deposited with the Accountant-General under any enactment, whether passed before or after the commencement of this and the immediately preceding paragraph of this Schedule, they shall be treated as if they were funds in court except in so far as -

- (a) the enactment; or
- (b) rules made under paragraph 1(6) above,

provide to the contrary.

Investment of funds in court

3. (1) The Accountant-General, with the approval of the Governor in Council, shall designate a mutual fund ("designated mutual fund") for the purpose of investing funds in court.

(2) A designated mutual fund shall be one or more of the mutual funds operated by a bank or banks designated under paragraph 1 of this Schedule.

(3) Shares in a designated mutual fund shall be allotted to and held by the Accountant-General and any other person authorised by him with the approval of the Governor in Council.

(4) There shall be charged in respect of funds in court invested in a designated mutual fund such fees, whether by way of percentage or otherwise, as the Accountant-General with the approval of the Governor in Council shall determine and such fees shall be collected and accounted for by such persons, and in such manner (and shall be paid to such account) as the Accountant-General shall direct.

Accounts

4. (1) Accounts shall be prepared and shall, at such times as the Accountant-General may direct, be sent to the Auditor-General in respect of transactions under paragraph 1 of this Schedule.

(2) The accounts shall be in such form and shall be prepared in respect of such periods as the Accountant-General may direct.

(3) The Auditor-General shall examine, certify and report on accounts sent to him under sub-paragraph (1) above and shall lay copies of them and his report on them before the Legislative Assembly.

SCHEDULE 2

ATTACHMENT OF EARNINGS ORDERS Section 33B

Power of the Grand Court to attach earnings, etc.

1. (1) The Grand Court and any Summary Court may make an attachment of earnings order to secure the payments -

(a) of any judgment debt in excess of \$500; or

(b) the payment of any sum required to be paid by any order of the court made under sections 19 or 21 of the Matrimonial Causes Law, section 6 of the Maintenance Law (Revised), the Affiliation Law, 1973, and any order registered under the Maintenance Orders (Enforcement Law) (Revised).

(2) The power conferred by this Schedule to make an attachment of earnings order includes a power to make such an order to secure the discharge of liabilities arising before the coming into force of this Schedule.

(3) In this Schedule -

(a) "judgment debt" means a sum payable under a judgment or order enforceable by the Grand Court or a Summary Court; or an order of the court which is enforceable as if it were for the payment of money so recoverable;

(b) "the relevant order", in relation to any payment secured or to be secured by an attachment of earnings order, means the judgment, order or other adjudication from which there arises the liability to make the payments; and

(c) "the debtor", in relation to an attachment of earnings order, or to proceedings in which the Grand Court has power to make an attachment of earnings order, or to proceedings arising out of such an order, means the person by whom payment is required by the relevant order to be made.

Application for order and conditions of court's power to make it

2. (1) The following persons may apply for an attachment of earnings order -

(a) the person to whom payment under the relevant order is required to be made (whether directly or through any officer of the court); or

(b) the debtor.

(2) For an attachment of earnings order to be made on the application of any person other than the debtor it must appear to the court that the debtor has failed to make one or more payments required by the relevant order.

Effect and contents of attachment of earnings order

3. (1) An attachment of earnings order shall be an order directed to a person who appears to the court to have the debtor in his employment and shall operate as an instruction to that person -

(a) to make periodical deductions from the debtor's earnings in accordance with paragraph 4 of this Schedule; and

(b) at such times as the order may require, or as the court may allow, to pay the amounts deducted to the collecting officer of the court, as specified in the order.

(2) For the purposes of this Schedule, the relationship of employer and employee shall be treated as subsisting between two persons if one of them, as a principal and not as a servant or agent, pays to the other any sums defined as earnings by paragraph 14(1) of this Schedule.

(3) An attachment of earnings order shall contain prescribed particulars enabling the debtor to be identified by the employer.

(4) The order shall specify the whole amount payable under the relevant order (or so much of that amount as remains unpaid), including any relevant costs.

(5) The order shall specify -

(a) the normal deduction rate, that is to say the rate (expressed as a sum of money per week, month or other period) at which the court thinks it reasonable for the debtor's earnings to be applied to meeting his liability under the relevant order; and

(b) the protected earnings rate, that is to say the rate (so expressed) below which, having regard to the debtor's resources and needs, the court thinks it reasonable that the earnings actually paid to him should not be reduced.

(6) For the purposes of an attachment of earnings order, the collecting officer of the court shall be the Clerk of the Court or such other officer as the Chief Justice may appoint.

Scheme of Deductions by employer

4. (1) On any pay-day -
- (a) "attachable earnings, in relation to a pay-day, are the earnings payable to the debtor;
 - (b) "the normal deduction" is arrived at by applying the normal deduction rate (as specified in the relevant attachment of earnings order) with respect to the relevant period; and
 - (c) "the protected earnings" are arrived at by applying the protected earnings rate (as so specified) with respect to the relevant period.
- (2) For the purposes of this paragraph -
- (a) "pay-day", in relation to earnings paid to a debtor, means an occasion on which they are paid; and
 - (b) the relevant period in relation to any pay-day is the period beginning -
 - (i) if it is the first pay-day of the debtor's employment with the employer, with the first day of the employment; or
 - (ii) if on the last pay-day earnings were paid in respect of a period falling wholly or partly after that pay-day, with the first day after the end of that period; or
 - (iii) in any other case, with the pay-day.
- (3) Where an attachment of earnings order is in force the employer shall on any pay-day -
- (a) if the attachable earnings exceed the protected earnings, deduct from the attachable earnings the amount of the excess or the normal deduction, whichever is the less;
 - (b) make no deduction if the attachable earnings are equal to, or less than, the protected earnings.
- (4) Where the employer is required to comply with two or more attachment of earnings orders in respect of the same debtor, then on any pay-day the employer shall, for the purpose of complying with this paragraph -
- (a) deal with the orders according to the respective dates on which they were made, disregarding any later order until an earlier one has been dealt with;
 - (b) deal with any later order as if the earnings to which it relates were the residue of the debtor's earnings after the making of any deduction to

comply with any earlier order.

Compliance with order by employer

5. (1) Where an attachment of earnings order has been made, the employer shall, if he has been served with the order, comply with it; but he shall be under no liability for non-compliance before seven days have elapsed since the service of the order.

(2) Where a person is served with an attachment of earnings order directed to him and he has not the debtor in his employment, or the debtor subsequently ceases to be in his employment, he shall (in either case), within ten days from the date of service or, as the case may be, the cesser of that employment, give notice of that fact to the court.

(3) On any occasion when the employer makes, in compliance with the order, a deduction from the debtor's earnings -

(a) he shall be entitled to deduct, in addition, such sum as may be prescribed by rules made by the Rules Committee of the Grand Court towards his clerical and administrative costs; and

(b) he shall give to the debtor a statement in writing of the total amount of the deduction.

(4) Rules of the Rules Committee of the Grand Court under subparagraph (3)(a) above may prescribe different sums in relation to different cases or classes of case.

Interrelation with alternative remedies open to creditors

6. (1) Where an attachment of earnings order has been made to secure the payment of a judgment debt -

(a) no order or warrant of commitment shall be issued in consequence of any proceedings for the enforcement of the debt begun before the making of the attachment of earnings order; and

(b) so long as the order is in force, no execution for the recovery of the debt shall issue against any property without leave of the court.

(2) An attachment of earnings order made to secure the payment of a judgment debt shall cease to have effect on the making of an order of commitment or the issue of a warrant of commitment for the enforcement of the debt.

Variation, lapse and discharge of orders

7. (1) The court may make an order discharging or varying an attachment of earnings order.

(2) Where an order is varied, the employer shall, if he has been served with notice of the variation, comply with the order as varied; but he shall be

under no liability for non-compliance before seven days have elapsed since the service of the notice.

(3) The Rules Committee of the Grand Court may make rules to provide for the circumstances in which an attachment of earnings order may be varied or discharged by the court of its own motion.

(4) Where an attachment of earnings order has been made and the person to whom it is directed ceases to have the debtor in his employment, the order shall lapse (except as respects deductions from earnings paid after the cesser of employment and payment to the collecting officer of amounts deducted at any time) and be of no effect unless and until the court again directs it to a person (whether the same as before or another) who appears to the court to have the debtor in his employment.

(5) The lapse of an order under sub-paragraph (4) above shall not prevent its being treated as remaining in force for other purposes.

Termination of employer's liability to make deductions

8. (1) Where an attachment of earnings order ceases to have effect under paragraph 6 of this Schedule, the collecting officer shall give notice of the cesser of the order to the person to whom the order was directed.

(2) Where the whole amount payable under the relevant order has been made, and also any relevant costs, the court shall give notice to the employer that no further compliance with the order is required.

(3) Where an attachment of earnings order -

(a) ceases to have effect under paragraph 6 of this Schedule; or

(b) is discharged under paragraph 7, the person to whom the order has been directed shall be under no liability in consequence of his treating the order as still in force at any time before the expiration of seven days from the date on which the notice required by sub-paragraph (1) above or, as the case may be, a copy of the discharging order is served on him.

Application of sums received by collecting officer

9. The collecting officer to whom a person makes payments in compliance with an attachment of earnings order shall deal with the sums paid as he would if they had been paid by the debtor to satisfy the relevant order.

Power of court to obtain statement of earnings, etc.

10. (1) Where in any proceedings a court has power to make an attachment of earnings order, it may -
- (a) order the debtor to give to the court, within a specified period, a statement signed by him of -
 - (i) the name and address of any person by whom earnings are paid to him;
 - (ii) specified particulars as to his earnings and anticipated earnings, and as to his resources and needs; and
 - (iii) specified particulars for the purpose of enabling the debtor to be identified by any employer of his;
 - (b) order any person appearing to the court to have the debtor in his employment to give to the court, within a specified period, a statement signed by him or on his behalf of specified particulars of the debtor's earnings and anticipated earnings.
- (2) Where an attachment of earnings order has been made, the court may at any time thereafter while the order is in force -
- (a) make such an order as is described in sub-paragraph (1) above; and
 - (b) order the debtor to attend before it on a day and at a time specified in the order to give the information described in paragraph (a) of sub-paragraph (1) above.
- (3) Without prejudice to sub-paragraph (1) and (2) above, rules of court may provide that where notice of an application for an attachment of earnings order is served on the debtor, it shall include a requirement that he shall give to the court, within such period and in such manner as may be prescribed, a statement in writing of the matters specified in paragraph (a) of sub-paragraph (1) above and of any other prescribed matters which are, or may be, relevant under paragraph 3 of this Schedule to the determination of the normal deduction rate and the protected earnings rate to be specified in any order made on the application.
- (4) In any proceedings in which a court has power to make an attachment of earnings order, and in any proceedings for the making, variation or discharge of such an order, a document purporting to be a statement given to the

court in compliance with an order under sub-paragraph (1) above, or with any such requirement of a notice of application for an attachment of earnings order as is mentioned in sub-paragraph (3) above, shall, in the absence of proof to the contrary, be deemed to be a statement so given and shall be evidence of the facts stated therein.

**Obligation of debtor and his employers to notify changes
of employment and earnings**

11. (1) While an attachment of earnings order is in force the debtor shall, within seven days of every occasion on which he leaves any employment or becomes employed or re-employed -

(a) notify the court in writing of that fact; and

(b) give to the court particulars in writing of his earnings and anticipated earnings from the relevant employment.

(2) While an attachment of earnings order is in force any person who becomes the debtor's employer and knows that the order is in force shall, within seven days of his becoming the debtor's employer or of acquiring that knowledge (whichever is the later), notify the court in writing that he is the debtor's employer, and include in his notification a statement of the debtor's earnings and anticipated earnings.

Power of court to determine whether particular payments are earnings

12. (1) Where an attachment of earnings order is in force, the court shall, on the application of a person specified in sub-paragraph (2) below, determine whether payments to the debtor of a particular class or description specified by the application are earnings for the purposes of the order; and the employer shall be entitled to give effect to any determination for the time being in force under this section.

(2) The persons referred to in sub-paragraph (1) are -

(a) the employer;

(b) the debtor; and

(c) the person to whom payment under the relevant order is required to be made.

(3) Where an application under this section is made by the employer, he shall not incur any liability for non-compliance with the order as respects any payments of the class or description specified by the application which are made by him to the debtor while the application, or any appeal in consequence of the application, is pending; but this sub-paragraph shall not, unless the court otherwise orders, apply as respects such payments if the employer subsequently withdraws the application or, as the case may be, abandons the appeal.

Persons employed in the service of the Islands

13. (1) The fact that an attachment earnings order is made at the suit of the Attorney-General shall not prevent its operation at any time when the debtor is in the service of the Islands.

(2) Where a debtor is in the service of the Islands and an attachment of earnings order is made in respect of him, then for the purposes of this Law -

(a) the chief officer for the time being of the department, office or other body in which the debtor is employed shall be treated as having the debtor in his employment (any transfer of the debtor from one department, office or body to another being treated as a change of employment); and

(b) any earnings paid by the Accountant-General, or otherwise out of the public revenues of the Islands, shall be treated as paid by that chief officer.

Enforcement provisions

14. (1) Subject to this section, a person commits an offence if -

(a) being required by paragraph 5(1) or 7(2) of this Schedule to comply with an attachment of earnings order, he fails to do so; or

(b) being required by sub-paragraph (2) of paragraph 5 of this Schedule to give a notice for the purposes of that sub-paragraph, he fails to give it, or fails to give it within the time required by that sub-paragraph; or

(c) he fails to comply with an order under paragraph 10(1) of this Schedule or with any such requirement of a notice of application for an attachment of earnings order as is mentioned in paragraph 10(3), or fails (in either case) to comply within the time required by the order or notice; or

(d) he fails to comply with paragraph 11 of this Schedule; or

(e) he gives a notice for the purposes of paragraph 5(2) of this Schedule, or a notification for the purposes of paragraph 11, which he knows to be false in a material particular, or recklessly gives such a notice or notification which is false in a material particular; or

(f) in purported compliance with paragraph 5(2) or 11 of this Schedule, or with an order under paragraph 10(1), or with any such requirement of a notice of application for an attachment of earnings order as is mentioned in paragraph 10(3), he makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular.

(2) Where a person commits an offence under sub-paragraph (1) above he shall be liable on summary conviction to a fine not exceeding \$2,000; or, he may be ordered by a judge of the Grand Court to pay a fine not exceeding \$1,000 or, in the case of an offence specified in sub-paragraph (3) below, to be imprisoned for a term not exceeding fourteen days.

(3) The offences referred to above in the case of which a judge may

impose imprisonment are -

(a) an offence under sub-paragraph (1)(c) or (d), if committed by the debtor; and

(b) an offence under sub-paragraph (1)(e) or (f), whether committed by the debtor or any other person.

(4) It shall be a defence -

(a) for a person charged with an offence under sub-paragraph (1)(a) above to prove that he took all reasonable steps to comply with the attachment of earnings order in question;

(b) for a person charged with an offence under sub-paragraph (1)(b) to prove that he did not know, and could not reasonably be expected to know, that the debtor was not in his employment, or (as the case may be) had ceased to be so, and that he gave the required notice as soon as reasonably practicable after the fact came to his knowledge.

(5) Where a person is convicted or dealt with for an offence under sub-paragraph (2)(a), the court may order him to pay, to the collecting officer, any sums deducted by that person from the debtor's earnings and not already paid to the collecting officer.

(6) Where under this paragraph a person is ordered by a judge of the Grand Court to be imprisoned, the judge may at any time revoke the order and, if the person is already in custody, order his discharge.

(7) Any fine imposed by a judge of the Grand Court under sub-paragraph (2) above and any sums ordered by the court to be paid under sub-paragraph (5) above shall be recoverable in the same way as a fine imposed by the Grand Court in the exercise of its jurisdiction to punish for contempt of court.

General interpretation

15. (1) In this Schedule, except where the context otherwise requires-

"debtor" and "relevant order" have the meanings given by paragraph 1(3) of this Schedule;

"earnings" mean any sums payable to a person -

(a) by way of wages or salary (including any fees, bonus, commission, overtime pay or other emoluments payable in addition to wages or salary or payable under a contract of service); and

(b) by way of pension, including any payment in respect of past services;

"the employer", in relation to an attachment of earnings order, means the

person who is required by the order to make deductions from earnings paid by him to the debtor;

"judgment debt" has the meaning given by paragraph 1(3) of this Schedule; and

"prescribed" means prescribed by rules of court.

(2) Any reference in this Schedule to sums payable under a judgment or order, or to the payment of such sums, includes a reference to costs and the payment of them; and the references in paragraph 3(4) and 8(2) to relevant costs are to any costs of the proceedings in which the attachment of earnings order in question was made, being costs which the debtor is liable to pay.

(3) References in paragraphs 3(5)(b) and (10)(1)(a) of this Law to the debtor's needs include references to the needs of any person for whom he must, or reasonably may, provide.

(4) Any power to make rules which is conferred by this Schedule is without prejudice to any other power to make rules of court.

SCHEDULE 3

CHARGING ORDERS

Section 33C

1. (1) Where, under a judgment or order of the Grand Court, a person (the "debtor") is required to pay a sum of money to another person (the "creditor") then, for the purpose of enforcing that judgment or order, the Court may make an order (a "charging order") in accordance with the provisions of this Schedule imposing on any such property of the debtor as may be specified in the order a charge for securing the payment of any money due or to become due under the judgment or order.

(2) In deciding whether to make a charging order the court shall consider all the circumstances of the case and, in particular, any evidence before it as to -

(a) the personal circumstances of the debtor; and

(b) whether any other creditor of the debtor would be likely to be unduly prejudiced by the making of the order.

Property which may be charged

2. (1) Subject to sub-paragraph (3) below, a charge may be imposed by a charging order only on -

(a) any interest held by the debtor beneficially in any asset of a kind mentioned in sub-paragraph (2) below, or any interest held by him beneficially under any trust; or

(b) any interest held by a person as trustee of a trust ("the trust"), if the interest is in an asset of a kind mentioned in sub-paragraph (2) below, or is an interest under another trust, and -

(i) the judgment or order in respect of which a charge is to be imposed was made against that person as trustee of the trust; or

(ii) the whole beneficial interest under the trust is held by the debtor unencumbered and for his own benefit; or

(iii) in a case where there are two or more debtors all of whom are liable to the creditor for the same debt, they together hold the whole beneficial interest under the trust unencumbered and for their own benefit.

(2) The assets referred to in sub-paragraph (1) above are -

(a) land,

(b) securities of any of the following kinds -

(i) any description of security issued by or on behalf of the Government of the Islands;

(ii) stock of any body incorporated within the Islands;

(iii) shares in any mutual fund; or

(c) funds in court.

(3) In any case where a charge is imposed by a charging order on any interest in an asset of a kind mentioned in paragraphs (b) or (c) of sub-paragraph (2) above, the court may provide for the charge to extend to any interest or dividend payable in respect of the asset.

Provisions supplementing paragraphs 1 and 2

3. (1) A charging order may be made absolutely or subject to conditions as to notifying the debtor or as to the time when the charge is to become enforceable, or as to other matters.

(2) A charge imposed by a charging order made in relation to any interest in land shall be in the prescribed form and shall be registered in the incumbrances section of the relevant land register.

(3) A judgment creditor may enforce a charge imposed by a charging order made in respect of any interest in land by selling that interest; and sections 75 and 76 of the Registered Land Law (Revised) shall apply in relation to any such sale.

(4) A charging order made in relation to any interest in land shall not be treated as a mortgage or charge of land for the purposes of the Stamp Duty Law, 1973.

(5) Subject to the provisions of this Schedule, a charge imposed by a charging order made in relation to any property other than land shall have the like effect and shall be enforceable in the same manner as an equitable charge created by the debtor by writing under his hand.

(6) Where a charging order has been made the court may at any time, on the application of the debtor or of any person interested in any property to which the order relates, make an order discharging or varying the charging order.

Stop orders and notices

4. (1) In this paragraph -

"stop order" means an order of the court prohibiting the taking, in respect of any of the securities specified in the order, of any of the steps mentioned in sub-paragraph (4) below;

"stop-notice" means a notice requiring any person or body on whom it is duly served to refrain from taking, in respect of any of the securities specified in the notice, any of those steps without first notifying the person by whom, or on whose behalf, the notice was served; and

"prescribed securities" means securities (including funds in court) of a kind prescribed by rules of court made under this paragraph.

(2) The Rules Committee of the Grand Court may by rules of court make provision -

(a) for the court to make a stop order on the application of any person claiming to be entitled to an interest in prescribed securities;

(b) for the service of a stop notice by any person claiming to be entitled to an interest in prescribed securities.

(3) Rules of court made by virtue of sub-paragraph (2) above shall prescribe the person or body on whom a copy of any stop order or a stop notice is to be served.

(4) The steps mentioned in sub-paragraph (1) are -

(a) the registration of any transfer of the securities;

(b) in the case of funds in court, the transfer, sale, delivery out, payment or other dealing with the funds, or of the income on the funds;

(c) the making of any payment by way of dividend, interest, or otherwise in respect of the securities; and

(d) in the case of a mutual fund, any acquisition of or other dealing with the securities in the fund by any person or body exercising functions

in respect of the fund.

(5) Any rules of court made by virtue of this paragraph may include such incidental, supplemental and consequential provisions as the Rules Committee consider necessary or expedient, and may make different provision in relation to different cases or classes of case.

Interpretation

5. (1) In this Schedule -

"charging order" means an order made under paragraph 1(1) of this Schedule;

"debtor" and "creditor" have the meaning given by paragraph 1(1) of this Schedule;

"dividend" includes any distribution in respect of any interest in a mutual fund;

"stock" includes shares, debentures and any securities of the body concerned, whether or not constituting a charge on the assets of that body.

(2) For the purposes of paragraph 1 of this Schedule references to a judgment or order of the Grand Court shall be taken to include references to a judgment, order, decree or award (however called) of any court or arbitrator (including any foreign court or arbitrator) which is or has become enforceable (whether wholly or to a limited extent) as if it were a judgment or order of the Grand Court.

(3) References in paragraph 2 of this Schedule to any securities include references to any such securities held as funds in court."

Passed by the Legislative Assembly this 5th day of April, 1995.

SYBIL McLAUGHLIN

[The Judicature (Amendment) Law, 1995 -21]

Speaker.

GEORGETTE MYRIE
Clerk of the Legislative Assembly.