

REPUBLIC OF NAURU

(No. 7 of 2004)

AN ACT

To sequester certain monies and assets from the Long Term Investment Fund to meet the economic needs of the citizens of Nauru having regard to the following matters:-

- (a) the recovery of phosphate deposits in Nauru, by reason of the depletion of those deposits, has ceased to provide adequately for the economic needs of the citizens of Nauru;
- (b) there are grave economic circumstances justifying the sequestration of of the sequestered funds; and
- (c) there are sufficient real property assets charged to GE Capital Security Agent Pty. Limited (A.C.N. 075 554 120) to discharge in full the charges over those real property assets the proceeds of a sale or refinance, without resort to the sequestered funds.

(Certified: 2nd July 2004)

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(Certified: 2nd July 2004)

Be it enacted by the Parliament of Nauru as follows:-

Short Title

1. This Act may be cited as the Long Term Investment Fund (Sequestration) Act 2004.

Interpretation

2. In this Act:-

“entity of the Republic of Nauru” means the Nauru Phosphate Royalties Trust, Republic of Nauru Finance Corporation, Republic of Nauru Superannuation Board and any corporate entity in respect of which those entities hold shares (whether incorporated in the Republic of Nauru or otherwise);

“Long Term Investment Fund” means the fund established under Article 62 of the Constitution of the Republic of Nauru and currently held by and administered by the Nauru Phosphate Royalties Trust.

“GE Entity” means any one of General Electric Capital Corporation, GE Capital Finance Pty. Ltd. (A.C.N. 075 554 175) and GE Capital Security Agent Pty. Ltd. (A.C.N. 075 554 120).

“Treasury Fund” means the fund established under Article 58 of the Constitution of the Republic of Nauru.

“Sequestered funds” means all of those funds credited to or managed by the Nauru Phosphate Royalties Trust in Long Term Investment Funds Nos. 1 and 4 or which in the future are so credited or managed, which do not represent:-

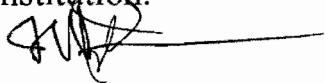
- (a) monies advanced by a GE entity; or
- (b) the proceeds of the sale or lease of any real estate mortgaged to a GE entity.

Authorisation of Expenditure

3. The sequestered funds are hereby sequestered by the Republic of Nauru effective 30 June 2004 for payment into the Treasury Fund to be expended according to law.

4. The trustees of the Nauru Phosphate Royalties Trust must immediately transfer:-
- (a) those monies comprising part of the sequestered funds and under their control at the date of this Act; and
 - (b) any monies comprising part of the sequestered funds that subsequently come under their control
- into the Treasury Fund.

I hereby certify that the above is a fair print of a Bill for an Act entitled **Long Term Investment Fund (Sequestration) Act, 2004** has been passed by Parliament of Nauru and is now presented to the Speaker for his Certificate under Article 47 of the Constitution.



Clerk of Parliament
2nd July 2004

Pursuant to Article 47 of the Constitution, **I, Riddel Akua**, Speaker of Parliament, hereby certify that the **Long Term Investment Fund (Sequestration) Act, 2004** has been passed by Parliament of Nauru.



Speaker
2nd July 2004