

REPUBLIC OF NAURU
RONWAN CONSOLIDATION ACT 2014
Act No. 23 of 2014

An Act to make provision for the vesting and distribution of the Nauruan Land Owners Royalty Trust Fund, for the winding up of dormant Funds, for the dissolution of Nauru Phosphate Royalties Trust and for related matters.

Certified 29 October 2014

PART 1 - PRELIMINARY MATTERS

1. Short Title

This Act may be cited as the *RONWAN Consolidation Act 2014*.

2. Commencement and Superseding of Prior RONWAN Legislation

2.1 This Act:-

- (i) Commences retrospectively;
- (ii) Is taken to have commenced on 19 December 2013.

2.2 Upon this Act coming into force, *the Ronwan Distribution Act 2013, the Ronwan Finalisation Act 2014, the Ronwan Regulations 2014, the Ronwan Date Regulations 2014 and the Ronwan Finalisation Regulations 2014*, are - to the extent any of the same remain in force - repealed.

2.3 Each and every act done and action taken by or on behalf of the Trust prior to 28 October 2014 for the purpose of, or with the intention of, giving effect to:-

- (i) any section of the *Ronwan Distribution Act 2013* other than s.31 of such Act;
- (ii) any provision of the *Ronwan Distribution Bill 2013* as purportedly passed by Parliament other than s.31 of such Bill;
- (iii) any section of the *Ronwan Finalisation Act 2014*;
- (iv) any provision of the *Ronwan Finalisation Bill 2014* as purportedly passed by Parliament;
- (v) Regulation 6 of the *Ronwan Regulations 2014*; and/or
- (vi) Regulation 6 of the *Ronwan Regulations 2014 purportedly made by Cabinet*;

is deemed to have been fully authorised and empowered by this Act, to have been done pursuant to this Act and to have been properly and validly authorised by the Board of NPRT without any ratification or other formality being required.

2.4 Each act done and each action taken prior to 28 October 2014 in relation to the subject matter of any of the Bills, Acts, Regulations and/or purported Regulations specified under sub-section 2.3, including without limitation, every payment of Ronwan principal (Ronwan capital) and every payment of Ronwan Interest provided that such act or action was not performed in bad faith, is deemed to have been so done or taken for the purpose of,

or with the intention of, giving effect to at least one of such Bills, Acts, Regulations and/or purported Regulations.

3. Interpretation

- 3.1 Words and terms used in this Act shall, unless the contrary intention appears, have the same meaning as defined in the *Nauru Phosphate Royalties Trust Act 1968*.
- 3.2 In this Act 'Beneficiary' means a person who, at or in respect of a particular time, has or had, at such time, held the beneficial interest in Phosphate Land and does not include a mere Lifetime Interest Only Holder.
- 3.3 In the Nauru Phosphate Royalties Trust Act 1968, unless the contrary intention appears, 'the Fund' means, the Nauruan Land Owners Royalty Trust Fund.
- 3.4 In this Act :-
- (i) 'Fund 1' means, *the Long Term Investment Fund*.
 - (ii) 'Fund 2' means, *the Nauruan Land Owners Royalty Trust Fund*.
 - (iii) 'Fund 3' means, *the Nauru Housing Fund*.
 - (iv) 'Fund 4' means, *the Nauru Rehabilitation Fund*.
- 3.5 In this Act 'the Funds' means each of the following funds:-
- (i) the Long Term Investment Fund (also known as 'Fund 1');
 - (ii) the Nauruan Land Owners Royalty Trust Fund (also known as 'Fund 2');
 - (iii) the Nauru Housing Fund (also known as 'Fund 3');
 - (iv) the Nauru Rehabilitation Fund (also known as 'Fund 4');
 - (v) the Nauru Development Fund;
 - (vi) the Nauru Land Owners Cash Royalties Fund; and
 - (vii) the Nauru Royalty Fund.
- 3.6 In this Act 'Lifetime Interest Only Holder' means, each person who, at or in respect of a particular time, has or had, at such time, a lifetime interest in respect of Phosphate Land.
- 3.6A Nothing in this Act or in any prior Act or Statutory Instrument shall be construed to grant or provide any actual or contingent right, interest or property in the principal, capital or corpus of the Nauruan Land Owners Royalty Trust Fund, to or in favour of any person:-
- (i) by virtue or by reason of; or
 - (ii) who merely has;
- a life time interest only or a life tenancy (in respect of any phosphate land or otherwise).

3.7 In this Act 'List Date' means 25th day of June, 2014 or any earlier or later date stipulated under any Regulation made pursuant to this Act.

3.8 In:-

(i) this Act; and

(ii) in the *Nauru Phosphate Royalties Trust Act 1968* unless the contrary intention appears;

'the Minister' means the Minister for the time being for the Nauru Phosphate Royalties Trust.

3.9 In this Act 'the Nauru Lands ' means the Nauru Lands Committee established under the *Nauru Lands Committee Act 1956*.

3.9A In this Act, 'the Nauru Rehabilitation Corporation' means the body known by that name established under *the Nauru Rehabilitation Corporation Act 1997*.

(Note: supersedes S.3.2 of the Ronwan Finalisation Act 2014).

3.10 In this Act 'Phosphate Land' means land in respect of which royalties for phosphate which has been or is mined on the land are held in the Nauruan Land Owners Royalty Trust Fund at the commencement of this Act.

3.11 In this Act 'Phosphate Land Dispute Notification Date' means 9 July, 2014 or any later date stipulated under any Regulation made pursuant to this Act.

3.12 In this Act 'Primary Vesting Date' means 9 June, 2014 or any earlier or later date stipulated under any Regulation made pursuant to this Act.

3.13 In this Act 'Representative' in respect of a Beneficiary includes a trustee, executor, administrator or guardian who holds any right, interest or entitlement for or on behalf of a Beneficiary.

3.14 Without limiting the generality of sub-section 3.1, in this Act, 'Ronwan Interest' has the same meaning as defined in section 19(2) of the *Nauru Phosphate Royalties Trust Act 1968*.

3.15 In this Act 'Secondary Vesting Date' means 30 September, 2014 or any earlier or later date stipulated under any Regulation made pursuant to this Act.

3.16 Without limiting the generality of sub-section 3.1, in this Act, 'the Trust' means 'Nauru Phosphate Royalties Trust' established under section 4 of the *Nauru Phosphate Royalties Trust Act 1968*.

4. Trust to Give Effect

From the date of commencement of this Act, the functions of the Trust shall include performing all acts necessary or desirable to:-

4.1 Prepare expeditiously for the implementation and giving effect to Part 2 of this Act;
and

4.2 Implementing and giving effect to Part 2 of this Act.

PART 2 - FINAL MATTERS

5. Repeal

Section 32B of the Nauru Phosphate Royalties Trust Act 1968 (*Confidentiality of records of beneficiaries*) is repealed.

6. Regulations

The Cabinet may make regulations prescribing any matter or thing required or authorised by this Act to be prescribed or which is necessary or convenient to be prescribed for carrying out or giving effect to this Act.

7. Protection of Members and Others

7.1 From the commencement of this Act, every: Chair, member including every acting member, Secretary, employee and agent of the Trust and the Minister and every Member of

Parliament of the Parliament of Nauru, from time to time shall :-

- (i) Not be liable nor responsible howsoever for; and
- (ii) Be fully and absolutely held harmless in respect of;
 - (a) Any and all acts, things done, omissions, failures, negligence, recklessness or abandonment save to the extent of any fraud, after the date of commencement of this Act, in respect of:
 - A. The Trust;
 - B. Any or all of the Funds;
 - C. Any asset, funds, monies, right, interest or entitlement, at any time, of, or in respect of, the Trust; and/or
 - D. Any corporation or body associated or previously associated with the Trust, or any or all of the Funds;
 - E. Any corporation or body in which the Trust or any or all of the Funds holds or at any time held any shares or capital and
 - (b) And any and all loss, damage, harm or injury, in part or whole, caused or contributed to, or resulting from, any of the matters specified under part (a) of this sub-section 7.1.

7.2 From the commencement of this Act, every: Chair, member including every acting member, Secretary, employee and agent of the Trust and every Member of Parliament of the Parliament of Nauru, prior to the commencement of this Act, shall :-

- (i) Not be liable nor responsible howsoever for;
- (ii) Be fully and absolutely held harmless in respect of; and
- (iii) Shall be fully released and discharged from any liability for:
 - (a) Any and all acts, things done, omissions, failures, negligence, recklessness, abandonment and breach of trust, save to the extent of any fraud, prior to the date

of commencement of this Act, in respect of:-

- A. The Trust;
- B. Any or all of the Funds;
- C. Any asset, funds, monies, right, interest or entitlement, at any time, of, or in respect of, the Trust; and/or
- D. Any corporation or body associated or previously associated with the Trust, or any or all of the Funds;
- E. Any corporation or body in which the Trust or any or all of the Funds holds or at any time held any shares or capital; and

(b) And any and all loss, damage, harm or injury, in part or whole, caused or contributed to, or resulting from, any of the matters specified under part (a) of this sub-section 7.2.

7.3 No action, suit or prosecution or other proceeding shall be brought against any person in respect of any act done bona fide in pursuance or execution or intended pursuance or execution of the provisions of this Act, the Nauru Phosphate Royalties Trust Act 1968 and/or the Nauru Phosphate Royalties (Payment and Investment) Act 1968 or any of the Bills, Acts, Regulations and/or purported Regulations specified under sub-section 2.3.

7.4 Sub-sections 7.1, 7.2 and 7.3 shall be in addition to and without derogation of :-

- (i) Section 15.4.
- (ii) Section 32 A of the Nauru Phosphate Royalties Trust Act 1968; and
- (iii) All other protections in favour of any person(s).

8. Overriding Force

8.1 To the extent of any inconsistency between this Act and:

- (i) any other law other than the Constitution of Nauru (including: any enactment, any regulation and any rule of common law);
- (ii) any rule of equity;
- (iii) any custom, institution or usage;

as in force from time to time, this Act shall prevail and be of overriding force.

8.2 No person shall be impugned or held liable for anything done or deemed to have been done in accordance with, or pursuant to, this Act.

9. Cessation of Payments to Funds 1, 2, 3 & 4.

9.1 After 31 December 2013, no royalty in respect of the mining of any phosphate from any land shall be paid to the Trust or paid into the Nauruan Land Owners Royalty Trust

Fund (Fund 2).

9.2 From the commencement of this Act, the *Nauru Phosphate Royalties (Payment and Investment) Act 1968* is amended as follows:-

- (i) Note: Intentionally Left Blank
- (ii) In the Second Schedule, in the column numbered '15', immediately after 'from the date of commencement of the Nauru Phosphate Royalties (Payment and Investment) (Amendment) Act 2011', insert 'and thereafter';
- (iii) In the Second Schedule, insert a new column numbered '16' immediately after (to the right of) the column numbered '15';
- (iv) in the column numbered 16, in the row in respect of the Nauru Land Owner's Cash Royalty Fund (in the row containing Nauru Land Owner's Cash Royalty Fund in column 1), insert in the column numbered 16, '\$6.50' and 'from 1 January, 2014 and thereafter';
- (v) In sub-section 11(3)(a), replace 'or fifteenth column' with ', fifteenth and sixteenth columns';
- (vi) In sub-section 11(4)(b), replace 'and fifteenth columns' with ', fifteenth and sixteenth columns'; and
- (vii) In sub-section 11(5) replace 'and fifteenth columns' in both instances where it appears with ', fifteenth and sixteenth columns'.
- (viii) In sub-section 12(1) immediately after 'every third year thereafter' delete the full stop and insert 'until 2012 and 2014 and every year after 2014.'
- (ix) In sub-section 12(2) delete 'the last preceding section to a fund specified in, the first column of the Second Schedule' and immediately after 'alter the amount payable' insert 'under any section(s) of this Act or pursuant to any Schedule(s) to this Act to any fund.
- (x) In sub-section 12(3), immediately after 'agreement' insert 'or determination of Cabinet'

10. Lifetime Interests and Payments Formerly to the Nauruan Land Owners Royalty Trust Fund

Payments pursuant sub-section 14 of the Nauru Phosphate Royalties (Payments and Investment) Act 1968 in respect of contributions to the Nauruan Land Owner's Cash Royalties Fund pursuant to column 16 of the Second Schedule to such Act in respect of phosphate shipped from Nauru after the commencement of this Act, shall in respect of the amount calculated under the said sub-section 14 (as in respect of each block (parcel) of phosphate land, be paid :-

- (i) to any Lifetime Interest Only Holder at the time of shipment of such phosphate having a lifetime interest in such block of phosphate bearing land; or
- (ii) if there is no Lifetime Interest Only Holder at the time of shipment of such phosphate having a lifetime interest in such block of phosphate bearing land, to the owners of such block of phosphate bearing land from time to time.

11. List of Interests in Phosphate Land

- 11.1 On or not more than fourteen days before the List Date, the Lands & Survey Department, Nauru shall provide to the Trust, an up to date list of the beneficiaries and Lifetime Interest Only Holders in respect of all Phosphate Land.
- 11.2 Neither the Lands & Survey Department, Nauru nor any person shall be held or found liable for or in respect of any bona fide act or omission done or omitted at any time, in the course of giving effect to or seeking to give effect to this Act.

12. Request for Information

Upon request by any person who is included in the List of Beneficiaries & Lifetime Interest Only Holders, provided pursuant to section 11 or who was recorded by the Lands & Survey Department, as an owner of any Phosphate Land in the preceding period of five (5) years, or who received any Ronwan Interest at any time in the preceding period of five (5) years shall be provided by the Lands & Survey Department office in Nauru or at the Trust's office in Nauru upon request with details of the Beneficiaries or Beneficiary and Lifetime Interest Only Holder(s) recorded in the List of Beneficiaries provided pursuant to section 11 in respect of each block of Phosphate Land in respect of which they were so recorded or so received Ronwan Interest.

13. Dispute Regarding Interest in Phosphate Land

If any person shall have any query, grievance, demand, claim or dispute regarding the accuracy, completeness or authenticity of the ownership or Lifetime Interest Only holding in respect of any Phosphate Land, provided he or she has standing to do so, he or she must, strictly by the Phosphate Land Dispute Notification Date :-

- (i) duly initiate an application or other required procedure necessary to seek a determination or decision of the Lands Committee concerning the same in accordance with the procedures and constitution of the Lands Committee for the time being in force;
- (ii) duly provide a copy of such application other required procedure to the offices of the Trust (Nauru Phosphate Royalties Trust) in Nauru, either:-
 - (a) by email to the following email address- nprt@nauru.com.au; or
 - (b) by hand in which case, the Trust shall issue the person having a query, grievance or dispute a signed and dated written receipt of such notices and the person having a query, grievance or dispute shall retain such receipt for at least two years.

14 Statute of Limitations for claims in respect of Fund 2

Any query, grievance, demand, claim or dispute, concerning any actual or alleged right, title or interest or entitlement in, or in respect of, the Nauruan Land Owners Royalty Trust Fund or any funds thereof including any claim or allegation of breach of trust, to the extent that it relies in part or in whole on any fact, matter or circumstance which :-

- (i) is inconsistent with the List of Beneficiaries and Lifetime Interest Only Holders provided pursuant to section 11; and
- (ii) was not the subject of an application or other required procedure necessary to seek a determination or decision concerning the same, which was notified to the Trust, on or before the Phosphate Land Dispute Notification Date;

shall be wholly statute barred.

15. Lists & Assistance to Trust

15.1 List of Assets

The Trust shall provide to the Minister an up to date list of all actual and contingent assets of the Trust in respect of each of the Funds including sufficient details to identify each asset and the actual or anticipated date of acquisition or creation of each asset. The list shall include sufficient details of each debt actually or contingently owing to the respective Funds including details of the creditor and the nature and circumstances of the debt.

15.2 List of Liabilities

The Trust shall provide to the Minister an up to date list of all actual and contingent liabilities of the Trust in respect of each of the Funds and any liabilities incurred on the Trust's own behalf. The list shall include sufficient details of each debt actually or contingently owing by the respective Funds including details of the debtor and the nature and circumstances of the debt.

15.3 Protection of Trust and Others

Neither the Trust nor any person shall be held or found liable for or in respect of any bona fide act or omission done or omitted at any time, in the course of giving effect to or seeking to give effect to this Act.

15.4 Provision of Information and Assistance

From the commencement of this Act, RONPHOS, the Lands Committee, Lands & Survey and the Curator shall provide all information and copies of all records and documents in their possession or control, material to holdings of Phosphate land and interests or entitlements in respect of Phosphate Land, as the Trust shall request.

16 Note: Intentionally Left Blank

17. Disposal of Assets of Fund 2

Upon the commencement of this Act, all assets of the Nauruan Land Owners Royalty Trust Fund, save and except only debts (owed to the Nauruan Land Owners Royalty Trust Fund), shall be expeditiously disposed of and liquefied by the Trust.

18. Payment of Debts

18.1 From the commencement of this Act, the Trust shall expeditiously pay all debts, and liabilities on its part as and when due.

18.2 Any actual debts or actual liabilities of the Trust, in its own right or on behalf of any of the Funds, which are not currently due or payable on behalf of the Trust on 15 January, 2015 or any earlier or later date stipulated under any Regulation made pursuant to this Act, shall be paid in full by 22 January, 2015 or any earlier or later date stipulated under any Regulation made pursuant to this Act.

19. Retention for Disputes Properly Notified

The Trust shall retain an amount of funds equivalent to the entitlement in respect of Fund 2 as at the Primary Vesting Date, in respect of specific Phosphate Land which is the subject

of an application or other required procedure duly made and of which a copy was duly provided to the Trust pursuant to section 13 by the Phosphate Land Dispute Notification Date, until the final determination or the dismissal of the subject application or other required procedure and the elapsing of the period for appeal from such a determination or dismissal and the final determination or the dismissal of any appeal from any determination of the Lands Committee pursuant to such application or other required procedure.

20. Payment of Remaining Ronwan Interest

- 20.1 (i) On or as soon as practicable after the Primary Vesting Date, all Ronwan Interest earned by the Nauruan Land Owners Royalty Trust Fund on or before 31 December 2013 which has not already been paid or distributed to Beneficiaries of such fund and representatives of Beneficiaries of such fund and Life Time Interest Only Holders in respect of such fund, shall be paid and distributed to the Beneficiaries of such fund and where required the representatives of Beneficiaries of such fund, apportioned in accordance with the Beneficiaries' relative interests in Fund 2 in the financial years during which they were beneficiaries, subject that in respect of the financial years where there is or has been a Life Time Interest Only Holder in respect of particular Phosphate Land, the amount of unpaid and undistributed Ronwan Interest in respect of such particular Phosphate Land shall be paid to the Life Time Interest Only Holders in respect of such financial years;
- (ii) Ronwan Interest earned by the Nauruan Land Owners Royalty Trust Fund on or before 31 December 2013 which was not paid or distributed to Beneficiaries of such fund and representatives of Beneficiaries of such fund and Life Time Interest Only Holders in respect of such fund by 19 December 2013 shall be exempted from and excluded from the application of, the provisions of sub-sections: 19(2), 19(3), 19(4) and 19(5) of the *Nauru Phosphate Royalties Trust Act 1968*.
- 20.2 (i) On or as soon as practicable after 1 January 2015, any Ronwan Interest earned by the Nauruan Land Owners Royalty Trust Fund for the period 1 January 2014 to 30 June 2014, shall be paid and distributed to the Beneficiaries of such fund and where required the representatives of Beneficiaries of such fund, apportioned in accordance with the Beneficiaries' relative interests in Fund 2 as at 31 December 2013, subject that where there was a Life Time Interest Only Holder in respect of particular Phosphate Land on 31 December 2013, the amount of unpaid and undistributed Ronwan Interest in respect of such particular Phosphate Land shall be paid to the Life Time Interest Only Holders in respect of such financial years.
- (ii) Ronwan Interest earned by the Nauruan Land Owners Royalty Trust Fund for the period 1 January 2014 to 30 June 2014, shall be exempted from and excluded from the application of, the provisions of sub-sections: 19(2), 19(3), 19(4) and 19(5) of the *Nauru Phosphate Royalties Trust Act 1968*.

21. General Retention & Contingency Fund

The Trust shall until the Secondary Vesting Date, retain an amount equal to the sum of:-

- (i) Ten per cent of the Residual Funds Available on the Primary Vesting Date. For the purposes of this section, 'Residual Funds Available' means, the monies held by the Trust on behalf of Fund 2, after payment of all Ronwan Interest pursuant to section 20; and
- (ii) The total of the actual debts and liabilities of the Trust (on behalf of the Funds and any liabilities incurred on the Trust's own behalf) which have not been paid.

22. Primary Vesting / Distribution of Capital

On the Primary Vesting day, monies held by the Trust in respect of the principal of Fund 2, which the Trust is not bound to retain shall be disbursed and paid by the Trust to the Beneficiaries and representatives of Beneficiaries. Other than Ronwan Interest, no monies shall be payable or shall be paid from Fund 2, by virtue of, or in respect of, any lifetime Interest in Phosphate Land.

23. Secondary Vesting

On the Secondary Vesting Date, the monies held by the Trust in respect of the principal of Fund 2, which are not required to meet the expenses and liabilities of Fund 2, shall be paid and distributed to the Beneficiaries of such fund and where required the representatives of Beneficiaries of such fund, apportioned in accordance with the Beneficiaries' relative interests in Fund 2 as at 31 December 2013. Other than Ronwan Interest, no monies shall be payable or shall be paid from Fund 2, by virtue of, or in respect of, any lifetime interest in Phosphate Land.

23A. Distribution of any Subsequent Capital Receipts

Within 2 months, or any shorter or longer period stipulated under any Regulation made pursuant to this Act, after the receipt or realisation of money, after the Secondary Vesting Date, in respect of the principal of Fund 2, in excess of \$100,000.00 or any larger or lesser sum stipulated under any Regulation made pursuant to this Act, the surplus of such monies held by the Trust which are not required to meet the expenses and liabilities of the Trust, shall be paid and distributed to the Beneficiaries of such fund and where required the representatives of Beneficiaries of such fund, apportioned in accordance with the Beneficiaries' relative interests in Fund 2 as at 31 December 2013. Other than Ronwan Interest, no monies shall be payable or shall be paid from Fund 2, by virtue of, or in respect of, any lifetime interest in Phosphate Land.'

24. Payments By Cheque of EFT

All payments made pursuant to this Act, shall be made by:-

- (i) A cheque which is:-
 - (a) Marked not negotiable; and
 - (b) Drawn directly in favour of the respective Beneficiary or Lifetime Interest Only Holder or to a representative for the time being acting on behalf of such Beneficiary or Lifetime Interest Only Holder;
- (ii) Electronic funds transfer to a bank account held by, the respective Beneficiary or Life time Interest Only Holder or a representative for the time being acting on behalf of such Beneficiary or Lifetime Interest Only Holder;
- (iii) By Cash to the respective Beneficiary or Lifetime Interest Only Holder or to a representative for the time being acting on behalf of such Beneficiary or Lifetime Interest Only Holder, subject to the signing by such recipient of a written acknowledgement of receipt of such cash payment;
- (iv) By Electronic funds transfer to a bank account directed or nominated in writing by the respective Beneficiary or Life time Interest Only Holder or a representative for the time being acting on behalf of such Beneficiary or Lifetime Interest Only Holder;
or

- (v) By Electronic funds transfer to a bank account directed or nominated in writing by the Minister’.

25. Provision of Cheques

Cheques drawn pursuant to this Act in favour of a respective Beneficiary or Lifetime Interest

Only Holder or to a representative for the time being acting on behalf of such Beneficiary or Lifetime Interest Only Holder may only be proffered or sent directly to such respective Beneficiary or Lifetime Interest Only Holder or to a representative for the time being acting on behalf of such Beneficiary or Lifetime Interest Only Holder.

26. Recovery of Payments

The trust may recover any money or excess money paid or distributed in error or by any mistake in the course of complying or seeking to comply with this Act.

27. Charges Not Excepted

This Act shall apply with full effect despite any charge or security granted in respect of any right, interest or entitlement of a Beneficiary or Beneficiaries or Lifetime Interest Only Holder(s) in the Nauruan Land Owners Royalty Trust Fund or any funds thereof. Security interests including without limitation charges shall be immaterial and of no effect for any and all purposes of this act.

28. Government Debt owed to Fund 2

- 28.1 In this section 28 (without limitation), ‘Beneficiaries’ excludes any person in respect of their interest as a Lifetime Interest Only holder.
- 28.2.1 On 30 November 2014, all debts owed to the Nauruan Land Owners Royalty Trust Fund by or on behalf the Government of Nauru or any instrumentality of the Government of Nauru shall be deemed to be fractionalised and apportioned in favour of the respective Beneficiaries in accordance with the Beneficiaries’ relative interests in Fund 2 on 31 December 2014, by way of individual assignment of parts of such Government Debt, with due notice to the respective Beneficiaries and the concurrence of the Trust and with full force and effect.
- 28.2.2 All formalities ordinarily associated with assignments of debt are deemed to have taken place in respect of the matters provided for in sub-section 28.2.1. Nothing provided for in sub-section 28.2.1 shall be held invalid or ineffective for want of service of any notice of assignment or for want of any other formality or action.’
- 28.3 Debt must be paid to Beneficiaries in equal proportion to the value or amount of such debt owed to each Beneficiary without any preference as between or among Beneficiaries.
- 28.4 Subject to any Regulation made under this Act until payment or discharge of Government Debt :-
 - (i) Such Government Debt shall remain payable but shall be without any recourse by any Beneficiary or against the Government of Nauru or any Instrumentality of the Government of Nauru or against any other person or body whatsoever.
 - (ii) Such Government Debt may not be transferred or assigned subject that nothing

contained in this sub-section shall affect the transmission of debt pursuant to:-

- (a) the laws of Nauru and Nauruan custom applicable from time to time to deceased estates;
- (b) laws of Nauru applicable from time to time to bankrupt estates.
- (iii) No security interest may be created in respect of such Government Debt however nothing contained in this sub-section shall affect any security duly created prior to this Act coming into affect.
- (iv) No interest shall accrue or be payable in respect of such Government Debt.

29. Winding Up of *the Nauruan Land Owners Royalty Trust Fund (Fund 2)*

Fund 2 shall be deemed to be wound-up for all purposes on 31 January, 2015 or any later date stipulated under any Regulation made pursuant to this Act.

30. Winding Up of Nauru Rehabilitation Fund (Fund 4)

- 30.1 If the Trust holds any asset on behalf of the Nauru Rehabilitation Fund, the Trust shall transfer such asset to the Nauru Rehabilitation Corporation.
- 30.2 No direction of Cabinet or of the Nauru Rehabilitation Fund shall be required for the Trust to comply with sub-section 30.1.

31. 'Custodianship of *the Long Term Investment Fund*'.

- 31.1 If the Trust holds any asset on behalf of the Long Term Investment Fund (Fund 1), the Trust shall transfer such asset to the Nauru Rehabilitation Corporation on or before 30 November 2014. The Trust shall on 30 November 2014 cease to administer the Long Term Investment Fund.
- 31.2 From 30 November 2014, the Nauru Rehabilitation Corporation shall be the custodian of the Long Term Investment Fund established pursuant to S. 62(1) of the Constitution.

32. Winding Up of Fund 3

- 32.1 If the Trust holds any asset on behalf of Fund 3, the Trust shall transfer such asset to the the Nauru Rehabilitation Corporation on or before 30 November 2014. The Trust shall on 30 November 2014 cease to administer the Nauru Housing Fund
- 32.2 From 30 November 2014, the Nauru Rehabilitation Corporation shall be the custodian of the Nauru Housing Fund.

33. Winding Up of Nauru Royalty Fund

- 33.1 If their Trust holds any asset on behalf of the Nauru Royalty Fund, the Trust shall transfer such asset to the Republic of Nauru on or before 30 November 2014.
- 33.2 The Nauru Royalty Fund shall be deemed to be wound-up for all purposes on 31 January, 2015 or any later date stipulated under any Regulation made pursuant to this Act.

34. Winding Up of Nauru Development Fund

- 34.1 If the Trust holds any asset on behalf of the Nauru Development Fund, the Trust shall

transfer such asset to the Republic of Nauru on 30 November 2014.

34.2 The Nauru Development Fund shall be deemed to be wound-up for all purposes on 31 January, 2015 or any later date stipulated under any Regulation made pursuant to this Act.

35. Transfer of Funds of Nauru Landowners Cash Royalties Fund

If the Trust holds any asset(s) or funds on behalf of the Nauru Landowners Cash Royalties Fund, the Trust shall on or before 30 November 2014 transfer any such asset(s) and funds to RONPHOS on behalf of the Beneficiaries. RONPHOS shall pay the same to the owners of phosphate land concurrent with RONPHOS making the earliest quarterly payment on or after the Primary Vesting Date of royalties in respect of the Nauru Landowners Cash Royalties Fund.

36. Dissolution of the Trust

At 12:00 noon, local Nauru time, on 31 January, 2015, or any other date stipulated under any Regulation made pursuant to this Act, Nauru Phosphate Royalties Trust shall dissolve and cease to exist as a body corporate.

37. Payment of Ronwan Income prior to 'Primary Vesting Date'

At any time prior to the Primary Vesting Date, the Trust may pay and distribute, Ronwan Interest earned by the Nauruan Land Owners Royalty Trust Fund on or before the Primary Vesting Date which has not already been paid or distributed to Beneficiaries of such fund and representatives of Beneficiaries of such fund and Life Time Interest Only Holders in respect of such fund, to the Beneficiaries, apportioned in accordance with the Beneficiaries' relative interests in Phosphate Land and the financial years during which they were beneficiaries, subject that in respect of the financial years where there is or has been a Life Time Interest Only Holder in respect of particular Phosphate Land, the amount of unpaid and undistributed Ronwan Interest in respect of such particular Phosphate Land shall be paid to the Life Time Interest Only Holders in respect of such financial years.

38. Amendment of *Nauru Phosphate Royalties Trust Act 1968*

Section 5(1) of the *Nauru Phosphate Royalties Trust Act 1968* is replaced with the following:-

'5(1)(a) The Trust shall until dissolution, consist of four members appointed by Cabinet. The Chairman and the other members holding office at the time of the commencement of the *Ronwan Finalisation Act 2014* shall each remain in office subject to the termination of their appointment by Cabinet or their resignation however such Chairman and such other members shall be deemed for the purposes of part II of the *Nauru Phosphate Royalties Trust Act 1968* to have been appointed by Cabinet.

(b) Cabinet may appoint a member of Cabinet to act as Chairman and/or Trustee of the Trust however a Cabinet member so holding office shall not receive any remuneration nor profit by virtue of holding such office.

(c) For the purposes of part II of the *Nauru Phosphate Royalties Trust Act 1968*:-

(i) Any reference to 'the person by whom the member was appointed' and any like phrase shall be deemed to be a reference to the Cabinet.

- (ii) Any reference to ‘the person by whom the member or acting member was appointed’ and any like phrase shall be deemed to be a reference to the Cabinet.
- (iii) Any reference to ‘Administrator’ shall be deemed to be a reference to Cabinet.
- (iv) Any reference to ‘Administrator in Council’ shall be deemed to be a reference to Cabinet.’

39. Section 8 of the *Nauru Phosphate Royalties Trust Act 1968* is repealed.

40. A new sub-section 17(4) is inserted in the *Nauru Phosphate Royalties Trust Act 1968* as follows:-

‘17(4) Meetings of the Trust may be conducted by telephone, voice over IP, circulation of a written Resolution or by any other means the members shall think fit.’

41. Section 32 of the *Nauru Phosphate Royalties Trust Act 1968* is amended as follows:-

41.1 Sub-section 32(6) of the *Nauru Phosphate Royalties Trust Act 1968* is amended by inserting at the beginning of that sub-section ‘*Until 30 June 2014*’.

41.2 Insert a new sub-section 32(6) as follows:-

‘After 30 June 2014, if the Trust has insufficient income to meet costs and expenses, the outstanding balance of such costs and expenses shall be paid from monies at hand in respect of the capital or corpus of Fund 2 held by NPRT.’

42 Sunset Provision

A new section 36 is inserted into the *Nauru Phosphate Royalties Trust Act 1968* as follows:-

36. The obligations imposed under this Act shall cease to be binding as from 30 June 2014.’

43. Repeal

One day after the dissolution of the Trust (Nauru Phosphate Royalties Trust), the *Nauru Phosphate Royalties Trust Act 1968* shall be repealed. All words and terms used in the *Nauru Phosphate Royalties Trust Act 1968* shall, unless the contrary intention appears, continue to have the same meaning in this Act.

44. *Nauru Phosphate Royalties (Payment and Investment) Act 1968*

44.1 The First Schedule to the *Nauru Phosphate Royalties (Payment and Investment) Act 1968* is amended as follows effective from 1 January 2014-

7.1 .1 In the First Schedule to the *Nauru Phosphate Royalties (Payment and Investment) Act 1968*, in the column numbered 13, in the row in respect of the Nauruan Land Owners' Royalty Trust Fund (in the row containing Nauruan Land Owners' Royalty Trust Fund in column 1), replace '\$6.50' with '\$0'.

44.2 S. 6(4) of the *Nauru Phosphate Royalties (Payment and Investment) Act 1968* is repealed.

44.3 All amounts payable in respect of the period from 1 January 2014 pursuant to the *Nauru Phosphate Royalties (Payment and Investment) Act 1968* in respect of the Long Term Investment Fund, the Nauru Housing Fund and the Nauru rehabilitation Fund *shall be paid to the Nauru Rehabilitation Corporation.*

45. Amendment of *Nauru Rehabilitation Corporation Act 1997*

45.1 S.4 of the *Nauru Rehabilitation Corporation Act 1997* is amended by inserting a new part (e) as follows -

'4(e) to manage and administer the moneys and assets of each of the Long Term Investment Fund and the Nauru Housing Fund, in each case separately and distinctly from the other moneys and assets of the Corporation.'

45.2 S.6 of the *Nauru Rehabilitation Corporation Act 1997* is amended by inserting the following at the end thereof -

'The Corporation in dealing with any fund which constitutes moneys of the Republic including with the Long Term Investment Fund, the Nauru Rehabilitation Fund and the Nauru Housing Fund does so for the benefit of the citizens of Nauru and is responsible to the Parliament through Cabinet for the administration of such fund. Any assets and monies under the Nauru Rehabilitation Fund may be utilised in pursuance of any function or power of the Corporation under parts (a) to (d) of S.4 of this Act'

45.3 S.16A is inserted into the *Nauru Rehabilitation Corporation Act 1997* (immediately after s.16) as follows –

'16A From and after the date of commencement of the *Ronwan Finalisation Act 2014*, all assets and monies of each of the Long Term Investment Fund and the Nauru Housing Fund shall be transferred to and vest in the Corporation without further assurance, and the Corporation shall have all the powers necessary to take possession of, recover and deal with such assets and monies for the purposes and objects of the Long Term Investment Fund and the Nauru Housing Fund respectively.'

46. Regulations

46.1 Any and all of the dates specified in this Act, may before, on or after any such date, be substituted or varied by Cabinet Regulation subject that Cabinet shall not substitute or vary a date stipulated for the winding up of a fund or the dissolution of NPRT after any such winding up or dissolution has already in fact occurred.

46.2 The Cabinet may make Regulations prescribing any matter or thing required or authorised by this Act to be prescribed or which is necessary or convenient to

be prescribed for carrying out or giving effect to this Act.

47. Record Retention

From the date being one calendar month earlier than the date specified as the date of dissolution of NPRT in Section 36, as may be varied by Cabinet Regulation, Cabinet shall be responsible to procure the retention and storage of records of NPRT in accordance with and for the period:-

47.1 As prescribed by any applicable laws; and

47.2 Further as Cabinet may from time to time see fit.

48. RONWAN Portal

Cabinet shall be responsible to procure the hosting and support of the RONWAN On-Line Information Portal for access by Beneficiaries on-line for a minimum period of 12 months and for any such further period as Cabinet may from time to time see fit.

CABINET RECOMMENDATION AND APPROVAL

RONWAN CONSOLIDATION BILL 2014

The RONWAN Consolidation Bill 2014 is a Bill to consolidate and supersede the former Statutes and Regulations concerning RONWAN which were enacted and made in 2013 and 2014.

Mindful that the Nauruan Land Owners Royalty Trust Fund established / re-constituted under section 19(1) of the Nauru Phosphate Royalties Trust Act 1968 and certain other funds the subject of the RONWAN Consolidation Bill 2014 are funds to which Article 59 of the Constitution of Nauru applies (*Supreme Court of Nauru; Constitutional Reference no. 1 of 86*);

Having regard to the matters contained in the Explanatory Memorandum in relation to the RONWAN Consolidation Bill 2014, Cabinet hereby recommends to Parliament and approves, the withdrawal of funds the subject of the RONWAN Consolidation Bill 2014 and the purpose for such withdrawal.

DATED: 28 October, 2014