



LAWS OF KENYA

TRUSTS OF LAND ACT

CHAPTER 290

Revised Edition 2012 [1982]

Published by the National Council for Law Reporting
with the Authority of the Attorney-General

www.kenyalaw.org

CHAPTER 290

TRUSTS OF LAND ACT

ARRANGEMENT OF SECTIONS

PART I – PRELIMINARY

Section

1. Short title.
2. Interpretation.
3. Power to postpone sale.
4. Duration of trusts for sale.
5. Appointment of new trustees for sale of land.
6. Consents to the execution of trust for sale.
7. Purchaser not concerned with trusts of proceeds of sale if paid to two or more trustees or a trust corporation.

PART II – IMPLIED TRUSTS FOR SALE

8. Trust for sale of mortgaged property where right of redemption barred.
9. Trust for sale in settlement of movables.

PART III – STATUTORY TRUSTS FOR SALE

10. What constitutes settled land.
11. Transitional provisions converting settlements into trusts for sale.
12. Attempted settlement constitutes trust for sale.
13. Infants cannot hold settled land.
14. Application of rents and profits pending exercise of statutory trust for sale.
15. Devolution of proceeds of statutory trust for sale and income therefrom.
16. Application of Part.

PART IV – POWERS OF TRUSTEES FOR SALE

17. Power of sale and exchange.
18. Leasing powers.
19. Leases for special subjects.
20. Power on disposition to impose restrictions and make reservations and stipulations.
21. Separate dealing with surface and minerals.
22. Power to grant options.
23. Surrenders and regrants.
24. Acceptance of leases.
25. Power to compromise claims and release restrictions.
26. Power to vary leases and give licences and consents.
27. Power to apportion rents.
28. Provisions as to consideration.
29. Cutting and sale of timber and disposal of proceeds.
30. Shifting of encumbrances.

Section

31. Power to vary provision of encumbrance and to charge by way of additional security.
32. Power to raise money by mortgage or charge.
33. General powers of management, etc.
34. Completion of transactions.
35. Delegation of powers by trustees.
36. General power to effect any transaction under order of court.
37. Application of Part and saving for additional or larger powers.

PART V – INVESTMENT OR OTHER APPLICATION OF CAPITAL MONEY

38. Mode of investment or application.
39. Money paid for lease or reversion.
40. Money received by way of damages for breach of covenant.
41. Money in court and derived from compulsorily acquired land.
42. Money in hands of trustees under powers of settlements.
43. Provision as to movables settled by reference to capital money or on trusts corresponding with the limitations of land.
44. Application of Part.

PART VI – IMPROVEMENTS

45. Improvements authorised by this Act.
46. Mode of application of capital money.
47. Court may order payment for improvements executed.
48. Application of Part.

PART VII – GENERAL PROVISIONS AS TO TRUSTEES OF LAND

49. Surviving or continuing trustees can act.
50. Trustee's receipts.
51. Protection of each trustee individually.
52. Indemnities to personal representatives and others.
53. Reimbursement of trustees.

PART VIII – SUPPLEMENTARY PROVISIONS

54. Prohibition or limitation against exercise of powers void, and provision against forfeiture.
55. Powers of court where trustees for sale refuse to exercise powers.
56. Application to personal representatives.
57. Rules.
58. Saving.

SCHEDULE

CHAPTER 290
TRUSTS OF LAND ACT

[Date of commencement: 22nd December, 1941.]

An Act of Parliament relating to trusts of land

[Act No. 30 of 1941, Cap. 151 of (1948), Act No. 15 of 1961, Act No. 27 of 1961, L.N. 2/1964.]

PART I – PRELIMINARY

1. Short title

This Act may be cited as the Trusts of Land Act.

2. Interpretation

In this Act, unless the context otherwise requires—

“**building purposes**” includes the erecting and the improvement of, and the adding to, and the repairing of buildings; and a “**building lease**” is a lease for any building purpose or purposes connected therewith;

“**court**” means the High Court;

“**disposition**” and “**conveyance**” include a mortgage, charge, deposit of title deeds or other documents by way of security, lease, assent, disclaimer, release and every other assurance or act or thing taking effect as an assurance of land or of an interest therein by any instrument, except a will; and “**dispose of**” and “**convey**” have corresponding meanings;

“**instrument**” does not include any Act or Statute unless that Act or Statute creates a settlement within the meaning of Part III;

“**land**” includes land of any tenure, and mines and minerals, whether or not held apart from the surface, buildings (whether the division is horizontal, vertical, or made in any other way) and other immovable property; also a rent, easement, right, privilege or benefit in, over or derived from land, and any estate or interest in land;

“**lease**” includes an agreement for a lease;

“**limitation**” includes a trust; and “**trust**” includes an implied or constructive trust;

“**mines and minerals**” means mines and minerals whether already opened or in work or not, and includes all minerals and substances in, on or under the land, obtainable by underground or by surface working; and “**mining purposes**” includes the sinking and searching for, winning, working, getting, making merchantable, smelting or otherwise converting or working for the purposes of any manufacture, carrying away and disposing of mines and minerals, and the erection of buildings, and the execution of engineering and other works suitable for those purposes; and a “**mining lease**” is a lease for any mining purposes or purposes connected therewith, and includes a grant or licence for any mining purposes;

“**mortgage**” includes any charge or lien on any land for securing money or money’s worth;

“**mortgage money**” means money or money’s worth secured by a mortgage;

“**movables**” includes all property other than land;

“**personal representative**” means the executor or administrator for the time being of a deceased person, and where there are special personal representatives for any purpose means for that purpose those personal representatives;

“**possession**” includes receipt of rents and profits or the right to receive them, if any; and “**income**” includes rents and profits;

“**purchaser**” means a purchaser in good faith for valuable consideration and includes a lessee, mortgagee or other person who for valuable consideration acquires an interest in property, except that in Part I and elsewhere where so expressly provided “**purchaser**” means only a person who acquires an interest in or charge on property for money or money’s worth; and in reference to a legal estate includes a chargee by way of legal mortgage; and where the context so requires “**purchaser**” includes an intending purchaser; “**purchase**” has a meaning corresponding with that of “**purchaser**”; and “**valuable consideration**” includes marriage but does not include a nominal consideration in money;

“**rent**” includes yearly or other rent, and toll, duty, royalty or other reservation, by the acre, or the ton, or otherwise; and, in relation to rent, “**payment**” includes delivery; and “**fine**” includes premium or fore-gift, and any payment, consideration, or benefit in the nature of a fine, premium, or fore-gift;

“**securities**” includes stocks, funds, and shares;

“**trust corporation**” includes the Public Trustee, and any other person holding any other official position prescribed by the President, and any corporation appointed by the court in any particular case to be a trustee or which is for the time being a trust corporation within the meaning of the Law of Succession Act (Cap. 160), and, in relation to the property of a bankrupt and property subject to a deed of arrangement, includes the trustee in bankruptcy and the trustee under the deed respectively, and, in relation to charitable, ecclesiastical and public trusts, also includes any local or public authority so prescribed, and any other corporation constituted under the laws of Kenya which satisfies the President that it undertakes the administration of any such trusts without remuneration, or that by its constitution it is required to apply the whole of its net income after payment of outgoings for charitable, ecclesiastical or public purposes, and is prohibited from distributing, directly or indirectly, any part thereof by way of profits among any of its members, and is authorized by him to act in relation to those trusts as a trust corporation;

“**trust for sale**”, in relation to land, means an immediate binding trust for sale, whether or not exercisable at the request or with the consent of any

person, and with or without a power at discretion to postpone the sale; **“trustees for sale”** means the persons (including a personal representative) holding land on trust for sale; and **“power to postpone a sale”** means power to postpone in the exercise of a discretion.

[Act No. 15 of 1961, Sch.]

3. Power to postpone sale

(1) A power to postpone sale shall, in the case of every trust for sale of land, be implied unless a contrary intention appears.

(2) Where there is a power to postpone the sale, then (subject to any express direction to the contrary in the instrument, if any, creating the trust for sale) the trustees for sale shall not be liable in any way for postponing the sale, in the exercise of their discretion, for any indefinite period; nor shall a purchaser be concerned in any case with any directions respecting the postponement of a sale.

(3) The foregoing provisions of this section apply whether the trust for sale is created before or after the commencement, or by virtue, of this Act.

(4) Where a disposition or settlement coming into operation after the commencement of this Act contains a trust either to retain or to sell land, it shall be construed as a trust to sell the land with power to postpone the sale.

4. Duration of trusts for sale

(1) Where land has, either before or after the commencement, or by virtue, of this Act, become subject to an express or implied or statutory trust for sale, that trust shall, so far as regards the safety and protection of any purchaser thereunder, be deemed to be subsisting until the land has been conveyed to or under the direction of the persons interested in the proceeds of sale.

(2) This section applies to sales whether made before or after the commencement of this Act, but operates without prejudice to an order of any court restraining a sale.

5. Appointment of new trustees for sale of land

(1) The persons having power to appoint new trustees of land held upon trust for sale shall be bound to appoint the same persons (if any) who are for the time being trustees of the settlement of the proceeds of sale but a purchaser shall not be concerned to see whether the proper persons are appointed to be trustees of such land.

(2) This section applies whether the trust for sale or the settlement of the proceeds of sale comes into operation before or after the commencement, or by virtue, of this Act.

6. Consents to the execution of trust for sale

(1) If the consent of more than two persons is by the disposition made requisite to the execution of a trust for sale of land, then, in favour of a purchaser, the consent of any two of those persons to the execution of the trust or to the exercise of any statutory or other powers vested in the trustees for sale shall be deemed sufficient.

(2) Where the person whose consent to the execution of any such trust or power is expressed to be required in a disposition is not *sui juris* or becomes subject to disability, his consent shall not, in favour of a purchaser, be deemed to be requisite to the execution of the trust or the exercise of the power; but the trustees shall, in any such case, obtain the separate consent of the parental or testamentary or other guardian of an infant or of the person (if any) legally entrusted with the custody or excuratorship of the property and affairs of a lunatic.

(3) The trustees for sale shall, as far as practicable, give effect to the wishes of the persons of full age for the time being beneficially interested in possession in the rents and profits of the land until sale, or, in case of dispute, of the majority (according to the value of their combined interests) of those persons, but a purchaser shall not be concerned to see that those wishes are complied with.

7. Purchaser not concerned with trusts of proceeds of sale if paid to two or more trustees or a trust corporation

(1) A purchaser of land from trustees for sale shall not be concerned with the trusts affecting the proceeds of sale of the land (whether made to attach to those proceeds by virtue of this Act or otherwise), or affecting the rents and profits of the land until sale, whether or not those trusts are declared by the same instrument by or which, or by any instrument consequent upon which, the trust for sale is created.

(2) Notwithstanding anything to the contrary in the instrument (if any) by or consequent upon which a trust for sale of land is created or in the settlement of the net proceeds, the proceeds of sale or other capital money shall not be paid to or applied by the direction of fewer than two persons as trustees for sale, except where the trustee is a trust corporation, but this subsection does not affect the right of a sole personal representative as such to give valid receipts for, or direct the application of, proceeds of sale or other capital money, nor, except where capital money arises on the transaction, render it necessary to have more than one trustee.

PART II – IMPLIED TRUSTS FOR SALE

8. Trust for sale of mortgaged property where right of redemption barred

(1) Where any land, vested in trustees by way of security, becomes, by virtue of any Act relating to limitation of suits, or of an order for foreclosure, or of a purchase from or release by the person for the time being having the right of redemption, or otherwise, discharged from the right of redemption, it shall be held by them upon trust for sale.

(2) The net proceeds of sale, after payment of costs and expenses, shall be applied in the same manner as the mortgage debt, if received, would have been applicable, and the income of the property until sale shall be applied in the same manner as the interest, if received, would have been applicable; but this subsection operates without prejudice to any rule of law relating to the apportionment of capital and income between tenant for life and remainderman.

(3) This section does not affect the right of any person to require that, instead of a sale, the property shall be conveyed to him or in accordance with his directions.

(4) This section applies whether the right of redemption was discharged before or after the commencement of this Act, but has effect without prejudice to any dealings or arrangements made before commencement.

9. Trust for sale in settlement of movables

(1) Where a settlement of movable property or of land held upon trust for sale contains a power, or where the trustees of any such settlement are empowered by law, to invest money in the purchase of land, the land shall be held by the trustees upon trust for sale; and the net rents and profits until sale, after keeping down costs of repairs and insurance and other outgoings, shall be paid or applied in the same manner as the income of investments representing the purchase-money would be payable or applicable if a sale had been made and the proceeds had been duly invested in movable property.

(2) This section applies to all settlements (including wills) whether created before or after the commencement of this Act.

PART III – STATUTORY TRUSTS FOR SALE

10. What constitutes settled land

Any land which, at the commencement of this Act, stands, or which, after the commencement of this Act under or by virtue of any deed, will, agreement, Act or other instrument, or any number of instruments, is or becomes, or purports to be or become—

- (a) limited to or in trust for any persons by way of succession; or
- (b) limited to or in trust for any person in possession for any estate or interest subject to a limitation, gift or disposition over on failure of his issue or in any other event; or
- (c) limited to or in trust for any person for any estate contingent on the happening of any event; or
- (d) limited to or in trust for any person under the age of majority for any estate; or
- (e) limited to or in trust for a married woman of the age of majority in possession for any estate with a restraint on anticipation; or
- (f) charged, whether voluntarily or in consideration of marriage or by way of family arrangement, and whether immediately or after an interval, with the payment of any rent charge for the life of any person, or any less period, or of any capital, annual, or periodical sums for the portions, advancement, maintenance, or otherwise for the benefit of any persons, with or without any term of years for the securing or raising thereof,

shall be deemed to be settled land for the purposes of this Act and the deed, will, agreement, Act or other instrument or instruments (whether made or passed before or after, or partly before and partly after, the commencement of this Act) under or by virtue of which it stands or is or becomes or purports to be or become so limited or charged is in this Act referred to as a settlement, or as the settlement, as it requires.

11. Transitional provisions converting settlements into trusts for sale

(1) Where, at the commencement of this Act, settled land is vested either wholly or partially in any trustee or trustees for all or any of the purposes of the settlement, it shall, as from the commencement of this Act, vest solely in the trustee or trustees to the exclusion of all others (if not already so vested) and be held by him or them upon trust for sale.

(2) Where, at the commencement of this Act, settled land stands vested in any person or persons solely as beneficiary or beneficiaries under or by virtue of the settlement, and not in any collateral capacity as trustee or trustees for the purposes of the settlement, it shall, as from the commencement of this Act, vest solely and absolutely in the person, or in all the persons if more than one, being of the age of majority and having any beneficial interest, whether in possession or in remainder or expectant or contingent, and not being subject to a restraint on anticipation, under or by virtue of the settlement, to the exclusion of all others (if not already so vested) and be held by him or them upon trust for sale.

12. Attempted settlement constitutes trust for sale

(1) Where, by any settlement first taking effect or purporting to take effect after the commencement of this Act, the settled land the subject thereof becomes vested or held, or would but for the provisions of this Act become vested or held, either wholly or partially in or by any trustee or trustees for all or any of the purposes of the settlement, the settled land shall thereupon and thereby vest solely in that trustee or those trustees to the exclusion of all others (if not already so vested) and be held by him or them upon trust for sale.

(2) Where, by any settlement first taking effect or purporting to take effect after the commencement of this Act, the settled land the subject thereof becomes vested or held, or would but for the provisions of this Act become vested or held, in or by any person or persons solely as beneficiary or beneficiaries under or by virtue of the settlement, and not in any collateral capacity as trustee or trustees for the purposes of the settlement, the settled land shall thereupon and thereby vest solely and absolutely in the person, or in all the persons if more than one, being of the age of majority and having any beneficial interest, whether in possession or in remainder or expectant or contingent, and not being subject to a restraint on anticipation, under or by virtue of the settlement, to the exclusion of all others (if not already so vested), and be held by him or them upon trust for sale.

13. Infants cannot hold settled land

(1) Where, at the commencement of this Act, settled land stands vested solely in one or more persons who is or all of whom either are under the age of majority or, being of the age of majority, hold subject to a restraint on anticipation, it shall, as from the commencement of this Act, vest solely and absolutely in the Public Trustee and be held by him upon trust for sale.

(2) Where, by any settlement first taking effect or purporting to take effect after the commencement of this Act, the settled land the subject thereof would but for the provisions of this Act become vested solely in one or more persons who is or all of whom either are, at the time of the taking effect or purported taking effect, under the age of majority or, being of the age of majority, would hold subject to a restraint on anticipation, the settlement shall not operate in any

way to transfer the settled land, but shall take effect merely as an agreement binding all the parties who are bound by the settlement forthwith to convey, assign or otherwise transfer the settled land to two or more persons of the age of majority upon trust for sale.

14. Application of rents and profits pending exercise of statutory trust for sale

The net rents and profits until sale of any settled land in respect of which a trust for sale is constituted by any of the provisions of this Part, after keeping down costs of repairs and other outgoings, shall be paid or applied in the same manner as they would for the time being have been paid or applied if no trust for sale had been constituted and all the provisions of the settlement had been permitted to take effect.

15. Devolution of proceeds of statutory trust for sale and income therefrom

(1) Capital money arising under this Act by exercise of a trust for sale constituted in respect of settled land by any of the provisions of this Part, while remaining uninvested or unapplied, and securities on which an investment of any such capital money is made shall for all purposes of disposition, transmission and devolution be treated as land, and shall be held for and go to the same persons successively, in the same manner and for and on the same estates, interests and trusts, as the land wherefrom the money arises would have been held and have gone under the settlement if the settled land had not been disposed of and all the provisions of the settlement had been permitted to take effect.

(2) The income of those securities shall be paid or applied as the income of that land, if not disposed of, would have been payable or applicable under the settlement.

16. Application of Part

(1) The provisions of this Part apply to all settled land, and to every settlement whether made or arising before or after the commencement of this Act.

(2) In case of conflict between the provisions of a settlement and the provisions of this Part or of this Act generally relative to any vesting of the settled land the subject thereof, or to any matter in respect whereof the person or persons in whom for the time being the settled land is vested upon trust for sale under or pursuant to the provisions of this Act exercises or contracts or intends to exercise any power as such under this Act, the provisions of this Part or of this Act generally (as the case may be) shall prevail; and, notwithstanding anything in the settlement, any power (not being merely a power of revocation or appointment) relating to the settled land thereby conferred upon any beneficiary or beneficiaries under the settlement or other persons exercisable for any purpose, whether or not provided for in this Act, shall, after the commencement of this Act, be exercisable by the person or persons in whom for the time being the settled land is vested upon trust for sale, as if it were an additional power conferred on that person or those persons and not otherwise.

PART IV – POWERS OF TRUSTEES FOR SALE

17. Power of sale and exchange

Trustees for sale of land may—

- (a) sell the land or any part thereof or any easement, right or privilege over or in relation to such land; and
- (b) make an exchange of the land, or any part thereof, or of any easement, right or privilege of any kind, whether or not newly created, over or in relation to the land, or any part thereof, for other land, or for any easement, right or privilege of any kind, whether or not newly created, over or in relation to other land, including an exchange in consideration of money paid for equality of exchange:

Provided that—

- (i) every exchange shall be made for the best consideration in land or in land and money that can reasonably be obtained; and
- (ii) an exchange may be made subject to any stipulations respecting title; or evidence of title, or other things.

18. Leasing powers

(1) Trustees for sale of land may lease the land, or any part thereof, or any easement, right or privilege of any kind over or in relation to the land, for any purpose whatever, whether involving waste or not:

Provided that, save as hereinafter provided, every lease shall—

- (i) be by formal lease or demise, and be made to take effect in possession not later than twelve months after its date, or in reversion after an existing lease having not more than seven years to run at the date of the new lease;
- (ii) reserve the best rent that can reasonably be obtained, regard being had to any fine or premium taken, and to any money laid out or to be laid out for the benefit of the land, and generally to the circumstances of the case; and
- (iii) contain a covenant or agreement by the lessee for payment of the rent, and a condition of re-entry on the rent not being paid within a time therein specified not exceeding thirty days.

(2) A counterpart of every lease shall be executed by the lessee and delivered to the trustees for sale, of which execution and delivery the execution of the lease by the trustees for sale shall be sufficient evidence.

(3) A statement, contained in a lease or in an endorsement thereon, signed by the trustees for sale, respecting any matter of fact or of calculation under this Act in relation to the lease, shall, in favour of the lessee and of those claiming under him, be sufficient evidence of the matter stated.

(4) A fine or premium received on the grant of a lease under any power conferred by this Part shall be deemed to be capital money arising by exercise of the trust for sale.

(5) A tenancy at the best rent that can reasonably be obtained without fine or premium, and whereby the tenant is not exempted from punishment for waste, may, subject to the provisions of any other law for the time being in force, be granted for a term not exceeding three years from the date of the writing by any writing under hand only containing an agreement instead of a covenant by the tenant for the payment of rent.

19. Leases for special subjects

The leasing power of trustees for sale extends to the making of—

- (a) a lease for giving effect (in such manner and so far as the law permits) to a covenant of renewal, performance whereof could be enforced against the owner for the time being of the land held upon trust for sale; and
- (b) a lease for confirming, as far as may be, a previous lease being void or voidable, but so that every lease as and when confirmed, shall be such a lease as might at the date of the original lease have been lawfully granted under this Act or otherwise, as the case may require.

20. Power on disposition to impose restrictions and make reservations and stipulations

(1) On a sale or other disposition or dealing by trustees for sale under the powers conferred by this Part—

- (a) any easement, right or privilege of any kind may be reserved or granted over or in relation to the land or any part thereof or other land, including the land disposed of, and, in the case of an exchange, the land taken in exchange; and
- (b) any restriction with respect to building on or other user of land, or with respect to mines and minerals or with respect to or for the purpose of the more beneficial working thereof, or with respect to any other thing, may be imposed and made binding, as far as the law permits, by covenant, condition or otherwise, on the trustees for sale and the land held or acquired by them, or any part thereof, or on the other party and any land disposed of to him; and
- (c) the whole or any part of any capital or annual sum (and in the case of an annual sum whether temporary or perpetual) charged on or payable out of the land disposed of, or any part thereof, and other land subject to the trust for sale, may as between the trustees for sale and the persons beneficially entitled to the net proceeds (but without prejudice to the rights of the person entitled to the capital or annual sum) be charged exclusively on the land disposed of, or any part thereof, or that other land, or any part thereof, in exoneration of the rest of the land on or out of which the capital or annual sum is charged or payable.

(2) A sale of land may be made subject to a stipulation that all or any of the timber and other trees, underwood saplings and plantations on the land sold or any articles attached to the land shall be taken by the purchaser at a valuation, and the amount of the valuation shall form part of the price of the land, and shall be capital money accordingly.

21. Separate dealing with surface and minerals

A sale, exchange, lease or other authorized disposition may (in such manner and so far as the law permits) be made either of land, with or without an exception or reservation of all or any of the mines and minerals therein, or of any mines and minerals, and in any such case with or without a grant or reservation of powers of working, wayleaves or rights of way, rights of water and drainage, and other powers, easements, rights, and privileges for or incident to or connected with mining purposes, in relation to the land held or acquired by the trustees for sale, or any part thereof, or any other land.

22. Power to grant options

(1) Trustees for sale of land may at any time, either with or without consideration, grant by writing an option to purchase or take a lease of that land, or any part thereof, or any easement, right or privilege over or in relation to it, at a price or rent either fixed at the time of granting the option, or to be fixed at or before exercise of the option in some manner prescribed at the time of granting the option.

(2) Every such option shall be made exercisable within an agreed number of years not exceeding ten.

(3) The price or rent shall be the best which, having regard to all the circumstances, can reasonably be obtained.

(4) An option to take a mining lease may be coupled with the grant of a licence to search for and prove any mines or minerals under the land the subject of the trust for sale, or any part thereof, pending the exercise of the option.

(5) The consideration for the grant of the option shall be deemed to be capital money arising by exercise of the trust for sale.

23. Surrenders and regrants

(1) Trustees for sale of land may accept, with or without consideration, a surrender of any lease of the land, whether made under this Act or not, or a regrant of any land granted in fee simple, whether under this Act or not, in respect of the whole land leased or granted, or any part thereof, with or without an exception of all or any of the mines or minerals therein, or in respect of mines and minerals, or any of them, and with or without an exception of any easement, right or privilege of any kind over or in relation to the land surrendered or regranted.

(2) On a surrender of a lease or a regrant of land granted in fee simple in respect of part only of the land or mines and minerals leased or granted, the rent or rent charge may be apportioned.

(3) On a surrender or regrant, the trustees for sale may in relation to the land or mines and minerals surrendered or regranted, or of any part thereof, make a new or other lease, or grant in fee simple, or new or other leases, or grants in fee simple, in lots.

(4) A new or other lease, or grant in fee simple, may comprise additional land or mines and minerals, and may reserve any apportioned or other rent, or rent charge.

(5) On a surrender or regrant, and the making of a new or other lease, whether for the same or for any extended or other term, or of a new or other grant in fee simple, and whether or not subject to the same or to any other covenants, provisions or conditions, the value of the lessee's or grantee's interest in the lease surrendered, or the land regranted, may be taken into account in the determination of the amount of the rent or rent charge to be reserved, and of any fine or consideration in money to be taken, and of the nature of the covenants, provisions and conditions to be inserted in the new or other lease, or grant in fee simple.

(6) Every new or other lease, or grant in fee simple, shall be in conformity with this Act.

(7) All money, not being rent, or a rent charge, received on the exercise by the trustees for sale of the powers conferred by this section, shall, unless the court, on an application made within six months after the receipt thereof or within such further time as the court may in special circumstances allow, otherwise directs, be deemed to be capital money arising by exercise of the trust for sale.

(8) In this section, "**land granted in fee simple**" means land so granted with or subject to a reservation thereof of a perpetual or terminable rent charge which is or forms part of the land held upon trust for sale, and "**grant in fee simple**" has a corresponding meaning.

24. Acceptance of leases

(1) Trustees for sale of land may accept a lease of any land, or of any mines and minerals, or of any easement, right or privilege, convenient to be held or worked with or annexed in enjoyment to the land held upon trust for sale, or any part thereof, for such period and upon such terms and conditions, as the trustees for sale think fit:

Provided that no fine shall be paid out of capital money in respect of the lease.

(2) The lease may contain an option to purchase the reversion expectant on the term thereby granted.

25. Power to compromise claims and release restrictions

(1) Trustees for sale of land may, either with or without giving or taking any consideration in money or otherwise, compromise, compound, abandon, submit to arbitration or otherwise settle any claim, dispute or question whatsoever relating to the land, or any part thereof, including in particular claims, disputes or questions as to boundaries, the ownership of mines and minerals, rights and powers of working mines and minerals, local laws and customs relative to the working of mines and minerals and other matters, easements and restrictive covenants, and for any of those purposes may enter into, give, execute and do such agreements, assurances, releases and other things as the trustees for sale may think proper.

(2) Trustees for sale of land may, at any time, by deed or writing, either with or without consideration in money or otherwise, release, waive or modify, or agree to release, waive or modify any covenant, agreement or restriction imposed on any other land for the benefit of the land held upon trust for sale, or

any part thereof, or release, or agree to release, any other land from any easement, right or privilege, including a right of pre-emption, affecting it for the benefit of the land held upon trust for sale, or any part thereof.

26. Power to vary leases and give licences and consents

Trustees for sale of land may at any time, by deed or writing, either with or without consideration in money or otherwise, vary, release, waive or modify, either absolutely or otherwise, the terms of any lease whenever made of the land held upon trust for sale or any part thereof or any covenants or conditions contained in any grant in fee simple whenever made of land with or subject to a reservation thereof of a rent which is or forms part of the land held upon trust for sale, and in either case in respect of the whole or any part of the land comprised in any such lease or grant, but so that the lease or grant shall, after that variation, release, waiver or modification, be a lease or grant which might then have been lawfully made under this Act if the lease had been surrendered or the land comprised in the grant had never been so comprised or had been regranted.

27. Power to apportion rents

(1) Trustees for sale of land may at any time, by deed or writing, either with or without consideration in money or otherwise, agree for the apportionment of any rent reserved or created by a lease or grant as is mentioned in section 26, or any rent being or forming part of the land held upon trust for sale, so that the apportioned parts of the rent shall thenceforth be payable exclusively out of or in respect of such respective portions of the land subject thereto as may be thought proper, and also agree that any covenants, agreements, powers or remedies for securing the rent and any other covenants or agreements by the lessee or grantee and any conditions shall also be apportioned and made applicable exclusively to the respective portions of the land out of or in respect of which the apportioned parts of the rent shall thenceforth be payable.

(2) Where the land held upon trust for sale, or any part thereof, is held or derived under a lease, or under a grant reserving rent, or subject to covenants, agreements or conditions, whether the lease or grant comprises other land or not, the trustees for sale may at any time, by deed or writing, with or without giving or taking any consideration in money or otherwise, procure the variation, release, waiver or modification, either absolutely or otherwise, of the terms, covenants agreements or conditions contained in the lease or grant, in respect of the whole or any part of the land, including the apportionment of any rent, covenants, agreements, conditions and provisions, reserved or created by, or contained in, the lease or grant.

(3) This section applies to leases or grants made either before or after the commencement of this Act.

28. Provisions as to consideration

(1) All money, not being rent, payable by the trustees for sale in respect of any transaction to which any of sections 25, 26 and 27 relates shall be paid out of capital money arising by exercise of the trust for sale, or subject to the same trust, and all money, not being rent, received on the exercise by the trustees for sale of the powers conferred by any of those sections shall, unless the court, on an application made within six months after the receipt thereof or within such

further time as the court may in special circumstances allow, otherwise directs, be deemed to be capital money arising by exercise of the trust for sale.

(2) For the purpose of sections 25, 26 and 27, “**consideration in money or otherwise**” means—

- (a) a capital sum of money or a rent;
- (b) land being freehold or leasehold for any term of years whereof not less than forty years shall be unexpired;
- (c) any easement, right or privilege over or in relation to the land held upon trust for sale, or any part thereof, or any other land;
- (d) the benefit of any restrictive covenant or condition; and
- (e) the release of the land held upon trust for sale, or any part thereof, or any other land, from any easement, right or privilege, including a right of pre-emption, or from the burden of any restrictive covenant or condition affecting it.

29. Cutting and sale of timber and disposal of proceeds

(1) Where there is on any land held upon trust for sale timber ripe and fit for cutting, the trustees for sale may cut and sell that timber, or any part thereof.

(2) Three quarters of the net proceeds of the sale shall be set aside as and be capital money arising by exercise of the trust for sale, and the other quarter shall go as rents and profits.

30. Shifting of encumbrances

Where there is an encumbrance affecting any part of the land held upon trust for sale (whether capable of being over-reached on the exercise by the trustees for sale of their powers under this Act or not), the trustees for sale, with the consent of the encumbrancer, may charge that encumbrance on any other part of the land, or on all or any part of the capital money or securities representing capital money subject, or to become subject, to the same trusts as capital money arising by exercise of the trust for sale, whether already charged therewith or not, in exoneration of the first-mentioned part, and by a legal mortgage, charge, or otherwise, make provision accordingly.

31. Power to vary provision of encumbrance and to charge by way of additional security

(1) Where an encumbrance affects any part of the land held upon trust for sale, the trustees for sale may, with the consent of the encumbrancer, vary the rate of interest charged and any of the other provisions of the instrument, if any, creating the encumbrance, and with the same consent charge that encumbrance on any part of the land, whether already charged therewith or not, or on all or any part of the capital money or securities representing capital money subject or to become subject to the same trusts as capital money arising by exercise of the trust for sale, by way of additional security, or of consolidation of securities, and by a mortgage, charge or otherwise, make provision accordingly.

(2) In this section, “**encumbrance**” includes any annual sum payable during a life or lives or during a term of years absolute or determinable, but in that case an additional security shall be effected so as only to create a charge or security similar to the original charge or security.

32. Power to raise money by mortgage or charge

- (1) Where money is required for any of the following purposes—
- (a) discharging an encumbrance on the land held upon trust for sale or part thereof;
 - (b) paying for any improvement authorised by this Act or by the instrument, if any, creating the trust for sale;
 - (c) equality of exchange;
 - (d) payment of the costs of any transaction authorized by this section or by section 31,

the trustees for sale may raise the money so required, on the security of the land or any part thereof, by mortgage or charge, and the money so raised shall be capital money for that purpose, and may be paid or applied accordingly.

(2) In this section, “**encumbrance**” does not include any annual sum payable only during a life or lives or during a term of years absolute or determinable.

33. General powers of management, etc.

(1) Trustees for sale of land may at any time or times, in addition to the special powers conferred by this Part, enter into and continue in possession of the land and manage or superintend the management thereof, with power—

- (a) to fell timber or cut underwood from time to time in the usual course for repairs or otherwise; and
- (b) to erect, pull down, rebuild and repair houses and other buildings and erections; and
- (c) to cultivate, manure, plant, clean, till, sow or otherwise farm the land according to the best methods of husbandry practised in the neighbourhood, including power to change the course of husbandry; and
- (d) to continue the working of mines, minerals and quarries which have usually been worked; and
- (e) to drain or otherwise improve the land or any part thereof; and
- (f) to make allowances to and arrangements with tenants and others; and
- (g) to determine tenancies, and to accept surrenders of leases and tenancies; and
- (h) to insure against loss or damage by fire or earthquake; and
- (i) generally to deal with the land in a proper and due course of management.

(2) Trustees for sale of land may from time to time, out of the income of the land, including the produce of the sale of timber and underwood, notwithstanding that power may be conferred by this Act to apply capital moneys for all or any of those purposes, pay the expenses incurred in the management, or in the exercise of any power conferred by this Part, or otherwise in relation to the land, and all outgoings not payable by any tenant or other person, and shall keep down any annual sum, and the interest of any principal sum, charged on the land.

34. Completion of transactions

(1) On a sale, exchange, lease, mortgage, charge or other disposition, trustees for sale of land may, as regards the land sold, given in exchange, leased, mortgaged, charged or otherwise disposed of, or intended so to be, or as regards easements or other rights or privileges sold, given in exchange, leased, mortgaged, charged or otherwise disposed of or intended so to be, effect the transaction by deed or writing to the extent of the estate or interest held upon trust for sale or any less estate or interest, in the manner requisite for giving effect to the sale, exchange, lease, mortgage, charge, or other disposition.

(2) Such a deed or writing, as the case may be, to the extent and in the manner to and in which it is expressed or intended to operate and can operate under this Act, is effectual to pass the land conveyed or transferred, or the easements, rights, privileges, or other interests created, discharged from all the limitations, powers and provisions of the instrument, if any, creating the trust for sale, and from all estates, interests and charges subsisting or to arise thereunder, but subject to and with the exception of—

- (a) all rights, titles and interests of whatsoever nature or kind having priority to the beneficial interests in the capital money arising by exercise of the trust for sale and the income thereof; and
- (b) all mortgages, charges and liens which have been created or taken effect for securing money actually raised at the date of such deed or writing; and
- (c) all leases, all grants of easements and all other rights or privileges which were before the date of the deed or writing granted or made for value in money or money's worth, or agreed so to be, by the trustees for sale, or are at that date otherwise binding on the successors in title of the trustees for sale.

35. Delegation of powers by trustees

(1) The powers of and incidental to leasing, accepting surrenders of leases and management, conferred on trustees for sale of land, whether by this Act or otherwise, may, until sale of the land, be revocably delegated from time to time by writing, signed by them, to any person of full age (not being merely an annuitant) for the time being beneficially entitled in possession to the net rents and profits of the land during his life or for any less period; and in favour of a lessee that writing shall, unless the contrary appears, be sufficient evidence that the person named therein is a person to whom the powers may be delegated, and the production of that writing shall, unless the contrary appears, be sufficient evidence that the delegation has not been revoked.

(2) Any power so delegated shall be exercised only in the names and on behalf of the trustees for sale delegating the power.

(3) The trustees for sale delegating any power under this section shall not, in relation to the exercise or purported exercise of the power, be liable for the acts or defaults of the person to whom the power is delegated, but that person shall, in relation to the exercise of the power by him, be deemed to be in the position and to have the duties and liabilities of a trustee.

36. General power to effect any transaction under order of court

(1) Any transaction affecting or concerning land held upon trust for sale, or any part thereof, or any other land (not being a transaction otherwise authorized by this Act, or by the instrument, if any, creating the trust for sale) which in the opinion of the court would be for the benefit of the land held upon trust for sale, or any part thereof, or the persons interested under the trust for sale, may, under an order of the court, be effected by trustees for sale, if it is one which could have been validly effected by an absolute owner.

(2) In this section, “**transaction**” includes any sale, exchange, assurance, grant, mortgage, lien, surrender, reconveyance, release, reservation or other disposition, and any purchase or other acquisition, and any covenant, contract or option, and any application of capital money (except as hereinafter mentioned), and any compromise or other dealing, or arrangement; but does not include an application of capital money in payment for any improvement not authorised by this Act, or by the instrument, if any, creating the trust for sale; and “**effected**” has the meaning appropriate to the particular transaction; and the references to land include references to restrictions and burdens affecting land.

37. Application of Part and saving for additional or larger powers

(1) The provisions of this Part, other than section 36, apply only if and as far as a contrary intention is not expressed in the instrument, if any, creating the trust for sale, and have effect subject to the terms of that instrument and to the provisions therein contained.

(2) In the case of conflict between the provisions of section 36 and the provisions of the instrument, if any, creating the trust for sale, the provisions of that section shall prevail.

(3) Nothing in this Act shall preclude or affect the conferring on trustees for sale of land by the instrument, if any, creating the trust for sale, or by any supplemental instrument (if and so far as it might otherwise be effectual) whether made before or after the commencement of this Act, of any powers additional to or larger than those conferred by this Act; and any additional or larger powers so conferred shall as far as may be, notwithstanding anything in this Act, operate and be exercisable in the same manner, and with all the same incidents, effects, and consequences, as if they were conferred by this Act.

PART V – INVESTMENT OR OTHER APPLICATION OF CAPITAL MONEY**38. Mode of investment or application**

Capital money arising by exercise of a trust for sale of land, subject to payment of claims properly payable thereout and to the application thereof for any special authorised object for which the capital money was raised, shall, when received, be invested or otherwise applied wholly in one, or partly in one and partly in another or others, of the following modes—

- (a) in investment in securities or other properties or investments in which the trustees for sale are by the instrument, if any, creating the trust for sale or by law authorized to invest moneys arising by exercise of the trust for sale, with power to vary the investment into or for any other such securities, properties or investments;

- (b) in discharge, purchase or redemption of encumbrances affecting all or any part of the estate subject to the same trusts as capital money arising by exercise of the trust for sale, or rents, or rent charges, charged on or payable out of the estate, or any part thereof;
- (c) in payment for any improvement authorized by this Act;
- (d) in payment for equality of exchange of any land held subject to the trust for sale;
- (e) in the purchase, with the leave of the court, of any leasehold interest where the immediate reversion is held subject to the trust for sale, so as to merge the leasehold interest (unless the court otherwise directs) in the reversion, and notwithstanding that the leasehold interest may have less than forty years to run;
- (f) in payment of the costs and expenses of all plans, surveys and schemes, including schemes under any law relating to town and country planning, made with a view to, or in connexion with, the improvement or development of the land held upon trust for sale, or any part thereof, or the exercise of any statutory powers, and of all negotiations entered into by the trustees for sale with a view to the exercise of any of those powers, notwithstanding that the negotiations may prove abortive, and in payment of the costs and expenses of opposing any such proposed scheme affecting the land held upon trust for sale, whether or not the scheme is made;
- (g) in payment to a local or other authority of such sum as may be agreed in consideration of such authority taking over and becoming liable to repair a private road on the land held upon trust for sale or a road for maintenance whereof the trustees for sale are liable *ratione tenurae*, or any sum which may otherwise become lawfully payable by the trustees for sale to the local or other authority in respect of the making up, taking over or maintenance of any road or street;
- (h) in financing any person who may have agreed to take a lease or grant for building purposes of the land held upon trust for sale, or any part thereof, by making advances to him in the usual manner upon the security of a legal or equitable mortgage or charge of his building agreement;
- (i) in payment to any person becoming absolutely entitled or empowered to give an absolute discharge;
- (j) in payment of costs, charges and expenses of or incidental to the exercise of any of the powers or the execution of any of the provisions of this Act, including the costs and expenses incidental to any of the matters referred to in this section;
- (k) in any other mode authorized by the instrument, if any, creating the trust for sale.

[Act No. 15 of 1961, Sch.]

39. Money paid for lease or reversion

Where capital money arising by exercise of a trust for sale of land, or deemed to be capital money so arising, is purchase-money paid in respect of—

- (a) a lease for years; or

- (b) any other estate or interest in land less than the fee simple; or
- (c) a reversion dependent on any such lease, estate or interest,

the trustees for sale or the court, as the case may be, and in the case of the court on the application of any party interested in that money, may, notwithstanding anything in this Act, require and cause it to be laid out, invested, accumulated and paid in such manner as, in the judgment of the trustees for sale or of the court, as the case may be, will give to the parties interested in that money the same benefit therefrom as they might lawfully have had from the lease, estate, interest or reversion in respect whereof the money was paid, or as near thereto as may be.

40. Money received by way of damages for breach of covenant

(1) Money, not being rent, received by way of damages or compensation for breach of any covenant by a lessee or grantee contained in any lease or grant of land held upon trust for sale shall, unless in any case the court on the application of any party interested otherwise directs, be deemed to be capital money arising by exercise of the trust for sale, and paid to or retained by the trustees for sale, or paid into court, and invested or applied, accordingly.

(2) In addition to the other modes in which capital money may be applied under this Act or the instrument, if any, creating the trust for sale, money so received or any part thereof may, if the circumstances permit, be applied at any time within twelve months after receipt, or such extended period as the court may allow, in or towards payment of the costs of making good in whole or in part the breach of covenant in respect of which it was so received, or the consequences thereof, and the trustees for sale may cause or require any money so received or any part thereof to be so applied.

(3) In the application of that money in or towards payment of the cost of making good any such breach or the consequences of any such breach, the work required to be done for the purpose shall be deemed to be an improvement authorised by Part I of the Schedule.

(4) This section does not apply to money received by way of damages or compensation for the breach of a covenant to repay to the lessor or grantor money laid out or expended by him, or to any case in which if the money received were applied in making good the breach of covenant or the consequences thereof the application would not enure for the benefit of the land held upon trust for sale, or any buildings thereon.

(5) This section does not apply to money received by way of damages or compensation before the commencement of this Act, but it applies whether the lease or grant was made before or after the commencement of this Act.

41. Money in court and derived from compulsorily acquired land

Where, under an Act, or under any order or scheme confirmed by or having the force of an Act relating to the compulsory acquisition of land, or under any Act, whether public or private, money is at the commencement of this Act in any court, or is afterwards paid into any court, and is liable to be laid out in the purchase of land to be made subject to a settlement or trust for sale, then, in addition to any mode of dealing therewith authorised by the Act under which the money is in court, that money may be invested or applied as capital money

arising by exercise of a trust for sale of land, on the same terms, if any, respecting costs and other things, as nearly as circumstances admit, and notwithstanding anything in this Act according to the same procedure, as if the modes of investment or application authorised by this Act were authorized by the Act under which the money is in court.

42. Money in hands of trustees under powers of settlements

Where, under any instrument coming into operation either before or after the commencement of this Act, money is in the hands of trustees, and is liable to be laid out in the purchase of land to be made subject to the trusts declared by that instrument, then, in addition to any powers of dealing therewith which the trustees have independently of this Act, they may, at their option, invest or apply the money as if it were capital money arising by exercise of a trust for sale of land.

43. Provision as to movables settled by reference to capital money or on trusts corresponding with the limitations of land

(1) Where money or securities or the proceeds of sale of any property is or are by any instrument coming into operation either before or after the commencement of this Act directed to be held on trusts declared by reference to capital money arising by exercise of a trust for sale of land constituted by that instrument or by any other instrument, the money, securities or proceeds shall be held on the same trusts as if it or they had been or represented money which had actually arisen by exercise of the trust for sale.

(2) Where money or securities or the proceeds of sale of any property is or are by any instrument coming into operation either before or after the commencement of this Act directed to be held on the same trusts as, or on trusts corresponding as nearly as may be with the limitations of, land settled or purporting to be settled or made subject to a trust for sale by that instrument or any other instrument, the money, securities or proceeds shall be held on the same trusts as if it or they had been or represented capital money arising by exercise of a trust for sale of the land.

(3) The money, securities or proceeds of sale shall be paid or transferred to or retained by the trustees for sale of the land, or paid or transferred into court, and invested or applied accordingly.

(4) This section shall operate without prejudice to the rights of any person claiming under a disposition, for valuable consideration, made before the commencement of this Act of any money, securities or proceeds referred to in this section.

44. Application of Part

The provisions of this Part apply only if and as far as a contrary intention is not expressed in the instrument, if any, creating the trust for sale, and shall have effect subject to the terms of that instrument, and to any provisions therein contained.

PART VI – IMPROVEMENTS

45. Improvements authorized by this Act

Improvements authorized by this Act are the making or execution on, or in connexion with, and for the benefit of, land held upon trust for sale of any of the works mentioned in the Schedule, or of any works for any of the purposes mentioned in the Schedule, and any operations incident to or necessary or proper in the execution of any of those works or necessary or proper for carrying into effect any of those purposes, or for securing the full benefit of any of those works or purposes.

46. Mode of application of capital money

(1) Capital money arising by exercise of a trust for capital money, sale of land, or deemed to be capital money so arising, may be applied in or towards payment for any improvement authorized by this Act or by the instrument, if any, creating the trust for sale, without any scheme for the execution of the improvement being first submitted for approval to, or approved by, the beneficiaries or any of them, or the court.

(2) Where the capital money to be expended is in the hands of the trustees for sale, they may apply that money in or towards payment for the whole or any part of any work or operation comprised in the improvement, on—

- (a) a certificate to be furnished by a competent engineer or able practical surveyor employed independently of the tenant for life, certifying that the work or operation comprised in the improvement or some specific part thereof has been properly executed, and what amount is properly payable in respect thereof, which certificate shall be conclusive in favour of the trustees for sale as an authority and discharge for any payment made by them in pursuance thereof; or
- (b) an order of the court directing or authorizing the trustees for sale so to apply a specified portion of the capital money:

Provided that—

- (i) in the case of improvements not authorized by Part I of the Schedule or by the instrument, if any, creating the trust for sale, the trustees for sale may, and shall if so directed by the court, before they make any application of capital money make provision that that money, or any part thereof, shall be repaid to or retained by them out of the income of the land held upon trust for sale by not more than fifty half-yearly instalments, the first instalment to be paid or to be deemed to have become payable at the expiration of six months from the date when the work or operation, in payment for which the money is to be applied, was completed;
- (ii) no capital money shall be applied by the trustees for sale in payment for improvements not authorized by Parts I and II of the Schedule, or by the instrument, if any, creating the trust for sale, except subject to provision for the repayment or retention thereof being made in the manner mentioned in subparagraph (i) of this proviso.

(3) Where the capital money to be expended is in any court, the court may, on a report or certificate of a competent engineer or able practical surveyor approved by it, or on such other evidence as the court may think sufficient, make such order and give such directions as it thinks fit for the application of the money, or any part thereof, in or towards payment for the whole or any part of any work or operation comprised in the improvement.

(4) Where a court authorizes capital money to be applied in payment for any improvement or intended improvement not authorized by Part I of the Schedule or by the instrument, if any, creating the trust for sale, the court, as a condition of making the order, may in any case require that the capital money or any part thereof, and shall, as respects an improvement mentioned in Part III of that Schedule (unless the improvement is authorized by the instrument, if any, creating the trust for sale), require that the whole of the capital money, shall be repaid to or retained by the trustees for sale out of the income of the land held upon trust for sale by a fixed number of periodical instalments to be paid or retained at the times appointed by the court, and may require that any encumbrancer of the income shall be served with notice of the proceedings.

(5) All money received by the trustees for sale in respect of any instalments under this section shall be held by them as capital money arising by exercise of the trust for sale, unless the court otherwise directs.

47. Court may order payment for improvements executed

The court may, in any case where it appears proper, make an order directing or authorizing capital money to be applied in or towards payment for any improvement authorised by this Act, whether executed before or after the commencement of this Act, notwithstanding that a scheme was not, before the execution of the improvement, submitted for approval to the court, and notwithstanding that no capital money is immediately available for the purpose.

48. Application of Part

The provisions of this Part apply only if and as far as a contrary intention is not expressed in the instrument, if any, creating the trust for sale, and shall have effect subject to the terms of that instrument, and to any provisions therein contained.

PART VII – GENERAL PROVISIONS AS TO TRUSTEES OF LAND

49. Surviving or continuing trustees can act

Subject to subsection (2) of section 7, the provisions of this Act referring to trustees for sale of land apply to the surviving or continuing trustees or trustee for sale for the time being.

50. Trustee's receipts

The receipt or direction in writing of or by the trustees for sale of land, or where a sole trustee for sale of land is a trust corporation or personal representative, of or by that trustee, or of or by the personal representative of the last surviving or continuing trustee for sale of land, for or relating to any money or securities, paid or transferred to or by the direction of the trustees, trustee or representatives, as the case may be, effectually discharges the payer or

transferor therefrom, and from being bound to see to the application or being answerable for any loss or misapplication thereof, and, in case of a mortgagee or other person advancing money, from being concerned to see that any money advanced by him is wanted for any purpose of this Act, or that no more than is wanted is raised.

51. Protection of each trustee individually

Each person who is for the time being a trustee for sale of land is answerable for what he actually receives only, notwithstanding his signing any receipt for conformity, and in respect of his own acts, receipts and defaults only, and is not answerable in respect of those of any other trustee, or of any banker, broker or other person, or for the insufficiency or deficiency of any securities, or for any loss not happening through his own wilful default.

52. Indemnities to personal representatives and others

Trustees for sale of land, personal representatives and other persons who have in good faith, pursuant to a trust for sale of land or this Act, executed a conveyance, transfer, assent, assignment or other disposition of the land held upon trust for sale, or a deed of discharge of trustees, shall be absolutely discharged from all liability in respect of the equitable interests and powers taking effect under the instrument (if any) constituting the trust for sale, and shall be entitled to be kept indemnified at the cost of the trust estate from all liabilities affecting the land held upon trust for sale, but the person to whom the land held upon trust is conveyed, transferred, assigned or otherwise disposed of (not being a purchaser taking free therefrom) shall hold the land upon the trusts (if any) affecting it.

53. Reimbursement of trustees

Trustees for sale of land may reimburse themselves or pay and discharge out of the trust property all expenses properly incurred by them.

PART VIII – SUPPLEMENTARY PROVISIONS

54. Prohibition or limitation against exercise of powers void, and provision against forfeiture

(1) If in a settlement, will, assurance or other instrument executed or made before or after, or partly before and partly after, the commencement of this Act a provision is inserted—

- (a) purporting or attempting, by way of direction, declaration or otherwise, to forbid trustees for sale of land to exercise any power under this Act herein expressed to be exercisable or impliedly conferred without regard to or notwithstanding the provisions of the instrument (if any) constituting the trust for sale; or
- (b) attempting, or tending, or intended, by a limitation, gift or disposition over of land held upon trust for sale, or by a limitation, gift or disposition of other immovable or any movable property, or by the imposition of any condition, or by forfeiture, or in any other manner whatever, to prohibit or prevent them from exercising, or to induce them to abstain from exercising, or to put them into a position inconsistent with their exercising, any such power,

that provision, as far as it purports, or attempts, or tends, or is intended to have, or would or might have, that operation, shall be void.

(2) For the purposes of this section an estate or interest limited to continue so long only as a person abstains from exercising any such power or right shall be and take effect as an estate or interest to continue for the period for which it would continue if that person were to abstain from exercising the power or right, discharged from liability to determination or cesser by or on his exercising it.

(3) Notwithstanding anything in an instrument constituting a trust for sale of land or settlement, the exercise by a trustee for sale of any power under this Act herein expressed to be exercisable or impliedly conferred without regard to or notwithstanding the provisions of that instrument or settlement shall not occasion a forfeiture.

55. Powers of court where trustees for sale refuse to exercise powers

If trustees for sale of land refuse to sell or to exercise any of the powers conferred by this Act, or any requisite consent cannot be obtained, any person interested may apply to the court for a vesting order or other order for giving effect to the proposed transaction or for an order directing the trustees for sale to give effect thereto, and the court may make such order as it thinks fit.

56. Application to personal representatives

The provisions of this Act relating to trustees for sale of land apply to personal representatives holding land upon trust for sale, but without prejudice to their rights and powers for purposes of administration.

57. Rules

The Minister may make rules—

- (a) prescribing the fees to be paid to the Public Trustee for any acts performed by him under or by virtue of this Act;
- (b) prescribing the procedure to be adopted in respect of any matters, disputes or transactions arising under or by virtue of this Act and not herein expressly provided for; and
- (c) generally for the better carrying into effect of the provisions of this Act.

[Act No. 27 of 1961, Sch.]

58. Saving

Nothing contained in this Act shall in any way prejudice or affect the rules of Mohammedan law relating to Wakf or the operation of the Registration of Titles Act (Cap. 281), and the provisions of this Act shall in respect of land registered under the Registration of Titles Act only take effect if and so far and in such manner as provided for by that Act or so far as not inconsistent therewith.

SCHEDULE

[Section 45.]

PART I – IMPROVEMENT, THE COST OF WHICH IS NOT
LIABLE TO BE REPAID BY INSTALMENTS

- (i) Drainage, including the straightening, widening and deepening of drains, streams and watercourses.
- (ii) Bridges.
- (iii) Irrigation and permanent measures for the prevention of soil erosion.
- (iv) Drains, pipes and machinery for supply and distribution of sewage as manure.
- (v) Embanking or weiring from a river or lake, or from the sea or a tidal water.
- (vi) Groynes, sea walls; defences against water.
- (vii) Fencing, redivision of fields.
- (viii) Reclamation.
- (ix) Farm roads; private roads; roads or streets in villages or towns.
- (x) Clearing; cleaning; trenching; planting.
- (xi) Cottages, quarters or huts for labourers, farm servants and artisans, whether squatters or otherwise, and whether employed on the land held upon trust for sale or not.
- (xii) Farm houses, offices and outbuildings, and other buildings for farm purposes, including silos, bomas and cattle dips.
- (xiii) Saw-mills, scutch-mills and other mills; water-wheels, engine-houses and kilns which will increase the value of the land held upon trust for sale for agricultural purposes or as woodland or otherwise.
- (xiv) Reservoirs, tanks, conduits, watercourses, pipes, wells, ponds, shafts, dams, weirs, sluices and other works and machinery for supply and distribution of water for agricultural, manufacturing or other purposes, or for domestic or other consumption.
- (xv) Tramways; railways; canals; docks.
- (xvi) Jetties; piers and landing places on rivers, lakes, the sea, or tidal waters, for facilitating transport of persons and of agricultural stock and produce, and of manure and other things required for agricultural purposes, and of minerals, and of things required for mining purposes.
- (xvii) Streets, roads, paths, squares, gardens or other open spaces for the use, gratuitously or on payment, of the public or of individuals, or for dedication to the public, they being necessary or proper in connexion with the conversion of land into building land.

- (xviii) Sewers, drains, watercourses, pipe-making, fencing, paving, brick-making, tile-making and other works necessary or proper in connexion with any of those objects.
- (xix) Trial pits for mines, and other preliminary works necessary or proper in connection with the development of mines.
- (xx) Reconstruction, enlargement or improvement of any of those works.
- (xxi) The provision of small dwellings, either by means of building new buildings or by means of the reconstruction, enlargement or improvement of existing buildings, if that provision of small dwellings is, in the opinion of the court, not injurious to the land upon trust for sale.
- (xxii) Additions to or alterations in buildings reasonably necessary or proper to enable them to be let.
- (xxiii) Erection of buildings in substitution for buildings taken by a local or other public authority, or for buildings taken under compulsory powers, but so that no more money be expended than the amount received for the buildings taken and the site thereof.
- (xxiv) The building of a permanent homestead on the land held upon trust for sale:

Provided that the sum to be applied under this head shall not exceed one-half of the annual rental of the land held upon trust for sale.

PART II – IMPROVEMENT, THE COSTS OF WHICH THE TRUSTEES FOR SALE OR THE COURT MAY REQUIRE TO BE REPAID BY INSTALMENTS OUT OF INCOME

- (i) Residential houses for land or mineral agents, managers, clerks, bailiffs, woodmen and other persons employed on the land held upon trust for sale, or in connexion with the management or development thereof.
- (ii) Any offices, workshops and other buildings of a permanent nature required in connexion with the management or development of the land held upon trust for sale or any part thereof.
- (iii) The erection and building of dwelling-houses, shops, electric light or power works or any other works necessary or proper in connection with the development of the land held upon trust for sale, or any part thereof, as a building estate.
- (iv) Restoration or reconstruction of buildings damaged or destroyed by dry rot or white ants.
- (v) Structural additions to or alterations in buildings reasonably required, whether the buildings are intended to be let or not, or are already let.
- (vi) Boring for water and other preliminary works in connection therewith.

PART III – IMPROVEMENT, THE COSTS OF WHICH
THE TRUSTEES FOR SALE OR THE COURT MUST REQUIRE
TO BE REPAID BY INSTALMENTS OUT OF INCOME

- (i) Heating, hydraulic or electric power apparatus for buildings, and engines, pumps, lifts, rams, boilers, flues and other works required or used in connexion therewith.
- (ii) Engine houses, engines, dynamos, accumulators, cables, pipes, wirings, switchboards, plant and other works required for the installation of electric or other artificial light, in connexion with any principal mansion house or other house or buildings; but not electric lamps or decorative fittings required in any such house or buildings.
- (iii) Steam rollers, traction engines, motor lorries and movable machinery for farming or other purposes.

