



# Allied Irish Banks Act 1996

## 1996 CHAPTER vii

An Act to provide for the transfer to AIB Group Northern Ireland plc of part of the undertakings of Allied Irish Banks, p.l.c., AIB Capital Markets plc and AIB Finance Limited; and for related purposes. [24th July 1996]

### WHEREAS—

- (1) Allied Irish Banks, p.l.c. (hereinafter called “AIB”) is a public company incorporated in the Republic of Ireland under the Companies Acts 1963 to 1990 of that jurisdiction as a company limited by shares:
- (2) AIB Capital Markets plc and AIB Finance Limited are also incorporated in the Republic of Ireland under the Companies Acts 1963 to 1990 of that jurisdiction as companies limited by shares and are wholly owned subsidiaries of AIB:
- (3) All three companies carry on in the United Kingdom and elsewhere the businesses of banking, leasing, financial services and related activities and are European authorised institutions under the Second Banking Coordination (Second Council Directive) Regulations 1992; being companies incorporated outside the United Kingdom they have complied with the provisions of Part XXIII of the Companies Act 1985 and Part X of the Companies Act (Northern Ireland) 1960:
- (4) AIB Group Northern Ireland plc (hereinafter called “AIB NI”) is a public company incorporated in Northern Ireland under the Companies Acts (Northern Ireland) 1960 to 1982 as a company limited by shares and is a wholly owned subsidiary of AIB; it is an authorised institution under the Banking Act 1987 and carries on the business of banking in Northern Ireland:
- (5) For the better conduct of the businesses of AIB, AIB Capital Markets plc and AIB Finance Limited in England, Scotland and Wales it is expedient to make provision for the fusion of those businesses by transferring them to and vesting them in AIB NI without interference with the conduct and continuity of those businesses:
- (6) By virtue of the Allied Irish Banks Act 1993 there was transferred to AIB NI on 10th January 1994 the Northern Ireland banking business of AIB and it is now expedient, for the better conduct of the businesses of AIB NI and AIB Finance Limited in Northern Ireland, that the Northern Ireland undertaking of AIB Finance Limited should also be transferred to and vest in AIB NI:
- (7) It is expedient that the other provisions in this Act should be enacted:

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(8) The objects of this Act cannot be attained without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted, and be it enacted, by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

## PART I

### PRELIMINARY

#### 1 Short title

This Act may be cited as the Allied Irish Banks Act 1996.

#### 2 Interpretation

(1) In this Act, unless the subject or context otherwise requires—

“AIB” means Allied Irish Banks, p.l.c.;

“the AIBF business” means the business of AIB Finance Limited carried on through its places of business in Northern Ireland, except the AIBF excluded items, including (without other limitation)—

- (a) all banking accounts maintained with AIB Finance Limited at any office or branch of AIB Finance Limited in Northern Ireland and all rights and liabilities of AIB Finance Limited in respect of those accounts;
- (b) the rights, obligations and duties of AIB Finance Limited as trustee of any debenture, debenture stock or loan stock;
- (c) all real property (of whatever tenure and wheresoever situate) held by AIB Finance Limited for the purposes of or in connection with the AIBF business;
- (d) all other property and liabilities of AIB Finance Limited wheresoever situate held for or otherwise relating to the AIBF business;

“the AIBF excluded items” means—

- (a) documents required to be kept pursuant to the Companies Acts 1963 to 1990 of the Republic of Ireland;
- (b) share capital and reserves of AIB Finance Limited;
- (c) such other property, rights or liabilities of AIB Finance Limited as may on or before the appointed day be specified by the directors of AIB Finance Limited;

“the AIB Group business” means the business of the transferor banks carried on through their places of business in England, Scotland and Wales, except the excluded items, including (without other limitation)—

- (a) all banking accounts maintained with a transferor bank at any office or branch of that bank in England, Scotland or Wales and all rights and liabilities of that bank in respect of those accounts;
- (b) the rights, obligations and duties of a transferor bank as trustee of any debenture, debenture stock or loan stock;

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(c) all real property (of whatever tenure and wheresoever situate) held by a transferor bank for the purposes of or in connection with the AIB Group business;

(d) all other property and liabilities of the transferor banks wheresoever situate held for or otherwise relating to the AIB Group business;

“AIB NI” means AIB Group Northern Ireland plc;

“the appointed day” means such day as may be appointed under section 3 (Appointed day for vesting of AIB Group business) or, as the case may be, under section 13 (Appointed day for vesting of AIBF business) of this Act;

“the excluded items” means—

(a) documents required to be kept pursuant to the Companies Acts 1963 to 1990 of the Republic of Ireland;

(b) shares in AIB Group Holdings (U.K.) Limited held or owned beneficially by AIB;

(c) shares in the following companies held or owned beneficially by AIB Capital Markets plc—

(i) LIFFE (Holdings) plc;

(ii) AIB (Local Authority Services) Limited; and

(iii) AIB Venture Capital Limited;

(d) share capital and reserves of the transferor banks;

(e) the business carried on by AIB under the style “AIB Group Treasury” out of its office at 12 Old Jewry, London EC2R 8DP including, in particular, managing funding and liquidity, the operations of Corporate Treasury and proprietary trading (including both on and off balance sheet instruments);

(f) the rights, obligations and duties of a transferor bank as an executor or trustee of any will or any settlement or trust arising under any will;

(g) such other property, rights or liabilities of any transferor bank as may on or before the appointed day be specified by the directors of that bank;

“existing” means existing, outstanding or in force immediately before the appointed day;

“liabilities” includes duties and obligations of every description whether present or future, actual or contingent;

“property” means property and assets of every description and rights of every description (whether present or future, actual or contingent), and includes property held on trust and securities, benefits and powers of every description;

“security” includes a mortgage or charge (whether legal or equitable), debenture, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, indemnity, right of set-off, undertaking or other means of securing payment or discharge of a liability (whether present or future, actual or contingent); and

“the transferor banks” means AIB, AIB Capital Markets plc and AIB Finance Limited or any of them and a reference to “a transferor bank” is a reference to one of the transferor banks;

“will” includes a codicil and any other testamentary writing.

- (2) Any reference in this Act to property or liabilities of a transferor bank is a reference to property or liabilities to which that bank is for the time being entitled or subject (whether beneficially or in any fiduciary capacity), wherever such property or

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liabilities are situated or arise and whether or not capable of being transferred or assigned by that bank, and whether that bank is entitled or subject to the property or liabilities under the law of any part of the United Kingdom or under the law of any country or territory outside the United Kingdom.

## **PART II**

### **TRANSFER OF THE AIB GROUP BUSINESS**

#### **3 Appointed day for vesting of AIB Group business**

- (1) The directors of AIB may appoint a day to be the appointed day for the purposes of this Part of this Act.
- (2) Not less than 14 days before the day appointed under subsection (1) above AIB shall publish in the London Gazette, the Edinburgh Gazette and the Belfast Gazette a notice stating the day so appointed.

#### **4 Vesting of AIB Group business in AIB NI**

- (1) Subject as provided in subsection (2) below, on the appointed day the AIB Group business shall, by virtue of this Act and without further assurance, vest in AIB NI as if, as respects the AIB Group business, AIB NI were the same person in law as the transferor banks and to the intent that AIB NI shall succeed to the whole of the AIB Group business.
- (2) Where the vesting of any part of the AIB Group business is governed wholly or partly by the law of any territory outside the United Kingdom, the transferor banks shall, if AIB NI so requires, take all necessary steps for the purpose of securing the vesting thereof in AIB NI and, pending such vesting, the transferor banks shall hold any such property in trust for AIB NI.

#### **5 Trust property**

- (1) Any property vested in AIB NI by virtue of this Act which immediately before the appointed day was held by a transferor bank, whether alone or jointly with any other person—
  - (a) as trustee or custodian trustee of any trust deed, settlement, covenant, agreement and whether originally so appointed or not, and whether appointed under hand or seal, or by order of any court or otherwise; or
  - (b) as judicial trustee appointed by order of any court; or
  - (c) in any other fiduciary capacity whatsoever;
 shall, on and from the appointed day, be held by AIB NI alone or, as the case may be, jointly with such other person, in the same capacity, upon the trusts, and with and subject to the powers, provisions and liabilities, applicable thereto respectively.
- (2) Any existing instrument or order of any court under or by virtue of which any such property became vested in a transferor bank in any such capacity, and any provision therein, and any existing contract or arrangement for the payment to, or retention by, a transferor bank of remuneration for its services in any such capacity, shall not fail by reason of anything in this Act, but shall be construed and have effect on and from the appointed day, so far as the context permits, as if for any reference therein to

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a transferor bank (not being a reference, however worded and whether express or implied, to terms and conditions of, or to a scale of fees of, that transferor bank) there were substituted a reference to AIB NI.

## 6 Supplementary provisions

Without prejudice to the generality of the foregoing provisions, but subject to any provision of this Act to the contrary effect, the following provisions of this section shall have effect on the appointed day to the extent that they relate to the property or liabilities comprising the AIB Group business:—

- (1) Every contract to which a transferor bank is a party (whether in writing or not) shall have effect on and from the appointed day as if—
  - (a) AIB NI had been a party thereto instead of that transferor bank;
  - (b) for any reference (however worded and whether express or implied) to that transferor bank there were substituted, as respects anything falling to be done on or after the appointed day, a reference to AIB NI; and
  - (c) any reference (however worded and whether express or implied) to the directors or to any director, officer or employee of that transferor bank were, as respects anything falling to be done on or after the appointed day, a reference to the directors of AIB NI or, as the case may require, to such director, officer or employee of AIB NI as AIB NI may appoint for that purpose or, in default of appointment, to the director, officer or employee of AIB NI who corresponds as nearly as may be to the first-mentioned director, officer or employee:
- (2) Sub-paragraphs (b) and (c) of paragraph (1) above shall apply to—
  - (a) any statutory provision other than the provisions of this Act;
  - (b) any provision of any existing contract to which a transferor bank was not a party; and
  - (c) to any provision of any other existing document (not being a contract);as they apply to a contract to which that paragraph applies, and every such provision shall be construed and have effect accordingly:
- (3) Any account between a transferor bank and a customer shall, on the appointed day, become an account between AIB NI and the customer subject to the same conditions and incidents as theretofore; and such account shall be deemed for all purposes to be a single continuing account:

Provided that nothing herein shall affect any right of AIB NI or of the customer to vary the conditions or incidents subject to which any account is kept:
- (4) Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to a transferor bank, either alone or jointly with another person (whether in writing or not and whether or not in relation to an account), shall have effect, on and from the appointed day, as if given to AIB NI:
- (5) Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, a transferor bank or payable at any place of business of a transferor bank whether so drawn, given, accepted, endorsed or payable before, on or after the appointed day, shall have the same effect on and from that day, as if it had been drawn on, or given to, or accepted or endorsed by, AIB NI, or were payable at the same place of business of AIB NI: