



Allied Irish Banks Act 1996

1996 CHAPTER vii

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;

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(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;
- (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;

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“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 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—

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- (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 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:

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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:
- (6) The custody of any document or record, goods or other thing held by a transferor bank as bailee shall pass to AIB NI on the appointed day, and the rights and obligations of that transferor bank under any contract of bailment relating to any such document or record, goods or thing shall on that day become rights and obligations of AIB NI:
- (7)
 - (a) Any security held immediately before the appointed day by a transferor bank, or by a nominee or agent of or trustee for a transferor bank, as security for the payment or discharge of any liability shall, on and from that day, be held by, or, as the case may require, by that nominee, agent or trustee for, AIB NI, and be available to AIB NI (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability;
 - (b) In relation to any security vested in AIB NI in accordance with the provisions of this Act and any liabilities thereby secured, AIB NI shall be entitled to the rights and priorities and be subject to the obligations and incidents to which the transferor bank in question would have been entitled and subject if it had continued to hold the security;
 - (c) Any security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, on and from the appointed day, be available to AIB NI (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by, or liabilities to, the transferor bank in question were secured thereby immediately before that day:
- (8) Where by virtue of this Act any right or liability of a transferor bank becomes a right or liability of AIB NI, AIB NI and all other persons shall, on and from the appointed day, have the same rights, powers and remedies (and in particular the same rights and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right or liability as if it had at all times been a right or liability of AIB NI; and any legal proceedings or application to any authority existing or pending immediately before the appointed day by or against the transferor banks may be continued by or against AIB NI:
- (9) Any judgment or award obtained by or against a transferor bank and not fully satisfied before the appointed day shall on that day, to the extent to which it is enforceable by or against a transferor bank, become enforceable by or against AIB NI:

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- (10) The Data Protection Registrar may, on and from the appointed day, serve on AIB NI any notice under section 10 of the Data Protection Act 1984 which he could have served on a transferor bank in respect of a breach by that transferor bank of the data protection principles; but the transfer to, and vesting in AIB NI by this Act of the AIB Group business (and any disclosure to AIB NI of any information in contemplation or as a result thereof) shall not amount to a breach of any duty of confidentiality to which the existing banks are subject immediately before the appointed day or to a contravention by AIB NI or a transferor bank of the data protection principles.

7 Officers, etc., of transferor banks

No director, secretary or auditor of a transferor bank shall by virtue only of this Act become a director, secretary or, as the case may be, auditor of AIB NI.

8 Evidence: books and documents

- (1) All books and other documents which would before the appointed day have been evidence in respect of any matter for or against a transferor bank shall be admissible in evidence in respect of the same matter for or against AIB NI.
- (2) In this section “documents” has the same meaning as in section 10 of the Civil Evidence Act 1968.

9 Application of Bankers' Books Evidence Act 1879

- (1) On and from the appointed day the Bankers' Books Evidence Act 1879 shall apply to the books of the transferor banks vested in AIB NI by virtue of this Act, and to entries made in those books before that day, as if such books had at all relevant times been the books of AIB NI.
- (2) For the purposes of section 4 of the said Act of 1879, books which have become the books of AIB NI by virtue of this Act shall be deemed to have been the ordinary books of AIB NI at the time of the making of any entry therein which purports to have been made before the appointed day, and any such entry shall be deemed to have been made in the usual and ordinary course of business.
- (3) In this section “books” shall be construed in accordance with section 9 (2) of the said Act of 1879.

10 Evidence of vesting

- (1) The production of a Queen’s Printer’s copy of this Act shall, for all purposes, be conclusive evidence of the vesting of any property or liabilities of a transferor bank in AIB NI in accordance with the provisions of this Act.
- (2) The following provisions of this section have effect without prejudice to the generality of subsection (1) above.
- (3) A Queen’s Printer’s copy of this Act shall, in relation to any registered securities within the meaning of the Stock Transfer Act 1963 vested in AIB NI in accordance with the provisions of this Act, operate for all the purposes of the said Act of 1963 as a duly executed stock transfer in respect of the transfer of such securities from a transferor bank to AIB NI.

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- (4) Any document made or executed on or after the appointed day, whereby AIB NI or a transferor bank, whether alone or jointly with any other person, conveys or transfers, or purports to convey or transfer, to any person (whether for consideration or not), or applies to be registered as the holder or proprietor of, any property held by a transferor bank immediately before any such day, whether alone or jointly with any other person, shall be sufficient evidence that the interest of that transferor bank in that property—
 - (a) in the case of such a document referring to the property as property held by AIB NI, is vested in AIB NI under this Act; and
 - (b) in the case of such a document referring to the property as property held by a transferor bank, is not vested in AIB NI under this Act.
- (5) Where there is any other transaction by AIB NI or a transferor bank on or after the appointed day in connection with, or in relation to, any property or liabilities which are property or liabilities of a transferor bank immediately before that day, it shall be deemed in favour of any other party to the transaction, or any person claiming through or under him, that AIB NI or, as the case may be, that transferor bank has full power and authority for that transaction as if—
 - (a) in the case of a transaction by AIB NI, the property or liabilities were vested in it under this Act; and
 - (b) in the case of a transaction by that transferor bank, the property or liabilities were not vested in AIB NI under this Act.
- (6) A joint certificate given by or on behalf of a transferor bank and AIB NI, whether given before, on or after the appointed day, that any property or liabilities specified in the certificate is or is not at the date so specified vested in AIB NI under this Act, shall be conclusive evidence for all purposes of the fact so certified.
- (7) Nothing in subsections (4) and (5) above affects the liability of a transferor bank or AIB NI to the other of them in respect of anything done, or purporting to have been done, by either of them in connection with, or in relation to, any property or liabilities.
- (8) Nothing in this section applies to any vesting falling within subsection (2) of section 4 (Vesting of AIB Group business in AIB NI) of this Act.
- (9) In this section “convey” has the same meaning as in the Law of Property Act 1925.

11 Interests in land

The vesting of an interest in land by or under this Act shall not—

- (a) constitute a purchase or creation of an estate for the purposes of section 30 (2) of the Landlord and Tenant Act 1954; or
- (b) constitute an assignment, transfer, devolution, parting with possession, dealing with or other disposition of that interest for the purposes of any provision contained in any instrument concerning that interest; or
- (c) give rise to any forfeiture; or
- (d) invalidate or discharge any contract or security; or
- (e) operate so as to merge any leasehold interest in the reversion which is expectant thereon.

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12 Contracts of employment

Paragraph (1) of section 6 (Supplementary provisions) of this Act applies to a contract for the employment of any person by a transferor bank; and employment with that transferor bank and AIB NI under any such contract shall be deemed for all purposes to be a single continuing employment.

PART III

TRANSFER OF THE AIBF BUSINESS

13 Appointed day for vesting of AIBF business

- (1) The directors of AIB Finance Limited 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 Finance Limited shall publish in the London Gazette, the Edinburgh Gazette and the Belfast Gazette a notice stating the day so appointed.

14 Vesting of AIBF business in AIB NI

- (1) Subject as provided in subsection (2) below, on the appointed day the AIBF business shall, by virtue of this Act and without further assurance, vest in AIB NI as if, as respects the AIBF business, AIB NI were the same person in law as AIB Finance Limited and to the intent that AIB NI shall succeed to the whole of the AIBF business.
- (2) Where the vesting of any part of the AIBF business is governed wholly or partly by the law of any territory outside the United Kingdom, AIB Finance Limited 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, AIB Finance Limited shall hold any such property in trust for AIB NI.

15 Application of supplementary provisions

The provisions of sections 5 to 12 of this Act shall apply (subject to the provisions of section 17 (Application to Scotland and Northern Ireland) of this Act) in relation to the vesting of the AIBF business in AIB NI under section 14 (Vesting of AIBF business in AIB NI) of this Act as they apply in relation to the vesting of the AIB Group business in AIB NI under section 4 (Vesting of AIB Group business in AIB NI) of this Act and, accordingly, in those provisions as so applied—

- (a) references to the transferor banks or any of them shall have effect as references to AIB Finance Limited;
- (b) references to the AIB Group business shall have effect as references to the AIBF business; and
- (c) references to the said section 4 shall have effect as references to the said section 14.

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PART IV

MISCELLANEOUS

16 Saving for enactments concerning banking institutions

Except as otherwise expressly provided in this Act, nothing in this Act shall exempt any body corporate from any statutory provision relating to the carrying on of the business of banking.

17 Application to Scotland and Northern Ireland

- (1) This Act shall extend to Scotland and Northern Ireland.
- (2) In the application of this Act to Scotland the following provisions shall have effect:—
 - (a) In the construction of this Act—
 - “assignment” includes an assignation;
 - “bailee” includes a custodian, and “contract of bailment” includes any other contract regulating custody of things;
 - “convey” includes the execution of any deed or other instrument or document by which any property, or any estate, interest, security or other right in or over property, is constituted, completed, disposed, assigned, transmitted or discharged;
 - “debenture” includes a floating charge or instrument containing a floating charge;
 - “forfeiture” includes an irritancy;
 - “judgment” includes a decree;
 - “judicial trustee” includes a judicial factor;
 - “mortgage” includes a standard security, an assignation or disposition ex facie absolute and any agreement qualifying the same, a bond and disposition or assignation in security, a cash credit bond and disposition or assignation in security, an assignation in security and any real right or burden of whatever kind in the nature of a security whether or not constituted in respect of a heritable security;
 - “will” includes a trust disposition and settlement and any deed taking effect on the death of any person whereby any part of his estate is disposed of, or under which a succession thereto arises;
 - (b) All standard securities and cash credit bonds and dispositions or assignations in security expressed to be in favour of a transferor bank vested in AIB NI by or under this Act shall, on and from the appointed day, have the same effect in favour of AIB NI up to such maximum amounts as may be stated therein respectively in all respects as if they had been originally granted in favour of AIB NI for such maximum amounts;
 - (c) To enable AIB NI to complete a title, if thought fit, to any property vested in it by virtue of this Act by notice of title or otherwise, or to deduce title, this Act shall be deemed to be, and may be used as, a general disposition, conveyance or, as the case may be, assignation of such property in favour of AIB NI;
 - (d) For the reference in subsection (2) of section 8 (Evidence: books and documents) of this Act to section 10 of the Civil Evidence Act 1968 there shall be substituted reference to section 17 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1968.

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- (3) In the application of this Act to Northern Ireland—
- (a) for the reference in subsection (2) of section 8 (Evidence: books and documents) of this Act to section 10 of the Civil Evidence Act 1968 there shall be substituted reference to section 6 of the Civil Evidence Act (Northern Ireland) 1971;
 - (b) the references in subsection (3) of section 10 (Evidence of vesting) of this Act to the Stock Transfer Act 1963 shall include references to the Stock Transfer Act (Northern Ireland) 1963; and for the reference in subsection (9) of that section to the Law of Property Act 1925 there shall be substituted reference to the Conveyancing Act 1881.

18 Costs of Act

The costs, charges and expenses preliminary to, and of and incidental to, the preparing for, obtaining and passing of this Act, or otherwise in relation thereto, shall be paid by AIB and may in whole or in part be paid out of revenue.