



Companies Act 1948

1948 CHAPTER 38 11 and 12 Geo 6

PART XII

MISCELLANEOUS PROVISIONS WITH RESPECT TO BANKING AND INSURANCE COMPANIES, AND CERTAIN SOCIETIES, PARTNERSHIPS AND UNREGISTERED COMPANIES.

Provisions relating to Banking and Insurance Companies.

431 Liability of bank of issue unlimited in respect of notes.

- (1) A bank of issue registered under this Act as a limited company shall not be entitled to limited liability in respect of its notes, and the members thereof shall be liable in respect of its notes in the same manner as if it had been registered as unlimited:

Provided that, if, in the event of the company being wound up, the general assets are insufficient to satisfy the claims of both the note-holders and the general creditors, then the members, after satisfying the remaining demands of the note-holders, shall be liable to contribute towards payment of the debts of the general creditors a sum equal to the amount received by the note-holders out of the general assets.

- (2) For the purposes of this section, the expression “the general assets ” means the funds available for payment of the general creditor as well as the note-holder.
- (3) Any bank of issue registered under this Act as a limited Company may state on its notes that the limited liability does not extend to its notes, and that the members of the company are liable in respect of its notes in the same manner as if it had been registered as an unlimited company.