

# Northern Bank Bill

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## EXPLANATORY MEMORANDUM

This Bill provides that, on or after the transfer to Danske Bank A/S of the undertaking of Northern Bank Limited (including the transfer of its business as a bank of issue), the statutory right to issue bank notes conferred on Northern Bank shall transfer and apply to Danske Bank A/S.

*Clause 1* deals with citation.

*Clause 2* sets out the definitions of certain expressions used in the Bill.

*Clause 3* enables the board of Danske Bank A/S to appoint a day for the purposes of the transfer of the statutory right to issue bank notes, which shall not be before the making, or after the coming into force, of a banking business transfer order made under Part 7 of the Financial Services and Markets Act 2000 (c. 8).

*Clause 4* provides that, in relation to specified enactments which conferred on Northern Bank Limited the statutory right to issue bank notes, any reference which would have been construed as referring to Northern Bank Limited is to be construed as referring to Danske Bank A/S.

*Clause 5* makes provision as to what constitutes evidence that the statutory right to issue bank notes has transferred and is applicable to Danske Bank A/S.

*Clause 6* provides that nothing in the Bill is to be construed as exempting Northern Bank Limited or Danske Bank A/S from the statutory regime regulating their activities, except as expressly provided for in the Bill.

*Clause 7* extends the application of the Bill to Northern Ireland.

## EUROPEAN CONVENTION ON HUMAN RIGHTS

In the view of Danske Bank A/S the provisions of the Northern Bank Bill are compatible with the Convention rights.

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**B I L L**

To provide that the statutory right of Northern Bank Limited to issue bank notes shall transfer and apply to Danske Bank A/S; and for connected purposes.

**W**HEREAS—

- (1) By an Act dated 21 July 1845 entitled “An Act to regulate the Issue of Bank Notes in Ireland, and to regulate the Repayment of certain Sums advanced by the Governor and Company of the Bank of Ireland for the Public Service” (c. 37), it was lawful for a person to carry on the business of a banker and lawfully issue bank notes if so certified by the Commissioners of Stamps and Taxes under the procedures set out in the said Act of 1845: 5
- (2) The Bankers (Northern Ireland) Act 1928 (c. 15) provided for a reduction in the aggregate amount of the fiduciary note issues of the banks carrying on banking business in Northern Ireland which were entitled to fiduciary note issues, and a Schedule to the said Act of 1928 named the Northern Banking Company Limited and the Belfast Banking Company as two of the six banks so entitled: 10
- (3) Northern Banking Company Limited changed its name to Northern Bank Limited on 1 January 1929:
- (4) The Northern Bank Act (Northern Ireland) 1970 (c. 2) provided for the undertaking and business of the Belfast Banking Company Limited to be transferred to Northern Bank: 15
- (5) Northern Bank Limited (“Northern Bank”) is a company incorporated under the Companies Acts 1862 to 1880 as a company limited by shares which carries on the business of banking in Northern Ireland and elsewhere, including the business of a bank of issue in Northern Ireland: 20
- (6) Danske Bank A/S (“Danske Bank”) is a corporation existing under the laws of the Kingdom of Denmark which carries on the business of banking and is registered in Northern Ireland under Part 23 of the Companies (Northern Ireland) Order 1986 (1986 NI 6): 25

- (7) On 28 February 2005 Danske Bank became the beneficial owner of the whole of the issued share capital of Northern Bank:
- (8) For the better conduct of the business of Danske Bank it is expedient to provide that, on or after the making of a court order under Part 7 of the Financial Services and Markets Act 2000 (c. 8) for the transfer to Danske Bank of the undertaking of Northern Bank (including its business as a bank of issue), the statutory right to issue bank notes that was conferred on Northern Bank should apply to Danske Bank: 5
- (9) It is expedient that the transfer of the statutory right should be effected economically and without interference with the conduct and continuity of the businesses carried on by Northern Bank and Danske Bank: 10
- (10) It is expedient that the other provisions in this Act be enacted:
- (11) 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:— 15

## 1 Citation

This Act may be cited as the Northern Bank Act 200[ ].

## 2 Interpretation 20

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

“the appointed day” means such day as may, under **section 3** (appointed day) of this Act, be appointed for the purposes of this Act;

“Danske Bank” means Danske Bank A/S;

“enactment” means any enactment in this Act or in any general or local Act or in any order, rule or regulation made under any Act; 25

“Northern Bank” means Northern Bank Limited;

“the note issue enactments” means the Bank of England Charter Act 1844 (c. 32), the Bankers (Ireland) Act 1845 (c. 37), the Currency and Bank Notes Act 1928 (c. 13), the Bankers (Northern Ireland) Act 1928 (c. 15) and the Northern Bank Act (Northern Ireland) 1970 (c. 2); and 30

“the transfer order” means a banking business transfer order made under Part 7 of the Financial Services and Markets Act 2000 (c. 8) for the transfer to Danske Bank of the undertaking of Northern Bank, including its business as a bank of issue. 35

### 3 Appointed day

- (1) Subject to subsection (2) the board of Danske Bank may appoint a day to be the appointed day for the purposes of this Act.
- (2) No day may be appointed under subsection (1) that falls before the day on which the transfer order is made or which falls after the day on which the transfer order is to come into effect. 5
- (3) Before the appointed day, Danske Bank shall publish in the London Gazette and the Belfast Gazette notice of the day appointed, stating that it is the appointed day for the purposes of this Act.
- (4) The publication of a notice under subsection (3) shall be conclusive evidence of that appointed day for the purposes of this Act, and a photocopy or other reproduction, certified by an authorised officer of Danske Bank, of a page or part of a page of the London Gazette or the Belfast Gazette containing the notice shall be conclusive evidence of publication. 10

### 4 Right to issue bank notes to apply to Danske Bank 15

On the appointed day the note issue enactments shall be construed and have effect, by virtue of this Act and without further assurance, as if all provisions thereof which are, immediately before such appointed day, construed as including any reference (however worded) to Northern Bank were provisions which included references to Danske Bank instead of to Northern Bank, and so as to confer and impose on Danske Bank the like rights, powers and restrictions as are, immediately before such appointed day, conferred and imposed by the note issue enactments on Northern Bank, and anything done by or to or in respect of Northern Bank under the note issue enactments before that day shall, on and from that day, be treated, for the purposes of the note issue enactments, as having been done by or to or in respect of Danske Bank. 20 25

### 5 Evidence of right to issue bank notes

The production of a Queen's Printer's copy of this Act or a photocopy thereof and such evidence of publication of notice of an appointed day as is specified in subsection (4) of **section 3** (appointed day) of this Act shall, for all purposes, be conclusive evidence that references to Northern Bank in, and any conferment or imposition of rights, powers and restrictions on Northern Bank by, or anything done by or to or in respect of Northern Bank under, the note enactments shall be construed as if in all respects Danske Bank were the same person as Northern Bank. 30 35

### 6 Saving for enactments concerning banking institutions

Except as hereinbefore provided, nothing in this Act shall exempt Northern Bank or Danske Bank or any other subsidiary of Danske Bank from the provisions of any enactment regulating the carrying on of the business of any of them. 40

**7 Extent**

This Act extends to Northern Ireland.

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