



AN BILLE UM FHOIR TEORANTA, 1970
FOIR TEORANTA BILL, 1970

Mar a tugadh isteach
As introduced

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[No. 25 of 1970]



AN BILLE UM FHOIR TEORANTA, 1970
FOIR TEORANTA BILL, 1970

BILL

entitled

AN ACT TO MAKE PROVISION IN RELATION TO FOIR 5
TEORANTA AND IN RELATION TO THE DISSOLUTION
OF TAISCI STAIT TEORANTA.

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS:

Definitions.

1.—In this Act—

“the Company” has the meaning specified in *section 2*; 10

“the Minister” means the Minister for Finance.

Formation and
registration of
Company.

1963, No. 33.

2.—The Minister shall cause a limited company (in this Act referred to as the Company) conforming to the conditions laid down in this Act to be formed and registered under the Companies Act, 1963.

Name and
capital.

3.—(1) The name of the Company shall be Fóir Teoranta. 15

(2) The share capital of the Company shall be one hundred pounds divided into shares of one pound each.

Memorandum of
association.

4.—(1) The memorandum of association of the Company shall be in such form consistent with this Act as may be approved of by the Minister. 20

(2) (a) The objects of the Company shall be so stated in the memorandum of association that the principal functions of the Company are:

(i) to acquire, hold and sell, assign and otherwise deal in shares and debentures issued by concerns satisfying the Company that they are eligible concerns within the meaning of this subsection, 25

(ii) to make secured and unsecured loans to such concerns,

(iii) to provide short-term finance, including bill finance, for such concerns, and 30

(iv) to guarantee the due repayment with interest of borrowings by such concerns.

(b) A concern shall be an eligible concern for the purposes of this subsection if in the opinion of the Company—

(i) it is engaged in an industrial activity (including any activity ancillary to industry), 35

- (ii) the employment and capital employed in it are significant,
- (iii) the proportion of the promoters' contribution to its total capital is reasonable,
- 5 (iv) it has reasonable prospects of profitability on a permanent basis, whether as for the time being constituted or after adaptation,
- (v) its continuance is in doubt because of inability to obtain its financial requirements from commercial sources, and
- 10 (vi) its failure to receive financial assistance would have serious repercussions either nationally or locally.

5.—(1) The articles of association of the Company shall be in such form consistent with this Act as may be approved of by the Minister. Articles of association.

15 (2) The articles of association shall provide—

- (a) that the number of the directors of the Company (including the chairman) shall be not more than seven,
- (b) that the chairman and other directors shall be appointed, and may be removed from office, by the Minister with the consent of the Minister for Industry and Commerce,
- 20 (c) that the remuneration of the chairman and other directors shall be determined by the Minister, and
- (d) that no person shall be nominated as auditor of the Company without the approval of the Minister.

25 6.—Notwithstanding anything contained in the Companies Act, 1963, no alteration in the memorandum of association or articles of association of the Company shall be valid or effectual unless made with the prior approval of the Minister. Restriction on alteration of memorandum or articles of association.

7.—(1) One share in the share capital of the Company shall be allotted and issued to each of the subscribers to the memorandum of association of the Company and the residue of the share capital shall be allotted and issued to the Minister. Issue of share capital.

(2) The money payable by the subscribers to the memorandum of association of the Company as consideration for the allotment and issue to them of shares in pursuance of *subsection (1)* of this section shall be provided by the Minister.

8.—The Minister may take up by subscription shares of the Company. Acquisition of shares by Minister.

9.—The Minister may, subject to this Act, exercise in respect of the shares of the Company held by him all the rights and powers of a holder of such shares and, where a right or power is exercisable by attorney, exercise it by his attorney. Exercise by Minister of right or power exercisable by holder of shares.

10.—(1) The Minister may, from time to time as occasion requires for the purpose of compliance with so much of the Companies Act, 1963, as requires that there shall always be at least seven members of the Company, transfer to any person one of his shares in the Company. Transfer by Minister of shares.

(2) Save as authorised by *subsection (1)* of this section, the Minister shall not transfer or alienate any of his shares in the Company.

Obligation of shareholder (other than Minister) to hold share in trust for Minister.

11.—(1) A member of the Company (other than the Minister) shall hold his share in the Company upon trust for the Minister and shall accordingly be bound to pay all dividends and other moneys which he receives in respect of the share to the Minister for the benefit of the Exchequer and to transfer, as and when required by the Minister, the share to the Minister or a person nominated in that behalf by the Minister.

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(2) Save when required pursuant to *subsection (1)* of this section, a member of the Company (other than the Minister) shall not transfer or alienate his share in the Company.

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Power to borrow.

12.—The Company may, by means of the issue of debentures or otherwise, borrow money, but—

(a) where a borrowing is not from the Minister, it shall require his consent, and

(b) the aggregate at any one time of the borrowings (including borrowings from the Minister, but excluding borrowings for the purposes of any functions of the Company which are consequent upon *section 19* of this Act) which have not been repaid shall not exceed three million pounds.

Advances by Minister.

13.—(1) The Minister may make advances to the Company.

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(2) Advances under this section shall be made on such terms as to repayment, interest and other matters as may be determined by the Minister.

(3) The aggregate at any one time of advances under this section (excluding advances for the purposes of any functions of the Company which are consequent upon *section 19* of this Act) which have not been repaid shall not exceed three million pounds.

Guaranteeing by Minister of borrowings.

14.—(1) The Minister may guarantee, in such form and manner and on such terms and conditions as he thinks fit, the due repayment by the Company of the principal of any moneys borrowed by the Company or the payment of interest on such moneys or both the repayment of the principal and the payment of the interest.

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(2) Where a guarantee under this section is or has been given, the Company shall, if the Minister so requires, give to him such security (including, in particular, debentures) as may be specified in the requisition for the purpose of securing to the Minister the repayment of any moneys which he may be liable to pay or has paid under the guarantee.

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(3) The Minister shall, as soon as may be after the expiration of every financial year, lay before each House of the Oireachtas a statement setting out with respect to each guarantee under this section given during that year or given at any time before, and in force at, the commencement of that year—

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(a) particulars of the guarantee,

(b) in case any payment has been made by the Minister under the guarantee before the end of that year, the amount of the payment and the amount (if any) repaid to the Minister on foot of the payment,

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(c) the amount of principal covered by the guarantee which was outstanding at the end of that year.

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(4) Moneys paid by the Minister under a guarantee under this section shall be repaid to him (with interest thereon at such rate or rates as he appoints) by the Company within two years from the date of the advance of the moneys out of the Central Fund.

- (5) Where the whole or any part of moneys required by *subsection* (4) of this section to be repaid to the Minister has not been paid in accordance with that subsection, the amount so remaining outstanding shall be repaid to the Central Fund out of moneys provided by the Oireachtas.
- (6) Notwithstanding the provision of moneys under *subsection* (5) of this section to repay the amount to the Central Fund, the Company shall remain liable to the Minister in respect of that amount and that amount (with interest thereon at such rate or rates as the Minister appoints) shall be repaid to the Minister by the Company at such times and in such instalments as he appoints and, in default of repayment as aforesaid and without prejudice to any other method of recovery, shall be recoverable as a simple contract debt in any court of competent jurisdiction.
- 15 **15.**—All amounts representing dividends or other moneys received by the Minister in respect of shares of the Company, or representing repayments or interest received or recovered by him from the Company, shall be paid into or disposed of for the benefit of the Exchequer in such manner as the Minister may direct. Payment of dividends, etc., into Exchequer.
- 20 **16.**—(1) The Company shall keep in such form as may be approved of by the Minister all proper and usual accounts of all moneys received by or expended by it, including a profit and loss account and a balance sheet, and, in particular, shall keep in such form as aforesaid all such special accounts as the Minister may from time to time direct. Accounts and audits.
- 25 (2) Accounts kept in pursuance of this section shall be submitted annually by the Company to an auditor for audit and, immediately after the audit, a copy of the profit and loss account and of the balance sheet and of such other (if any) of the accounts as the Minister may direct and a copy of the auditor's report on the accounts shall be presented to the Minister who shall cause copies thereof to be laid before each House of the Oireachtas.
- 30 **17.**—(1) As soon as may be after the end of each accounting year, the Company shall make a report to the Minister of its activities during that year and the Minister shall cause copies of the report to be laid before each House of the Oireachtas. Annual report and furnishing of information to Minister.
- (2) The Company shall, if so required by the Minister, furnish to him such information as he may require in respect of any balance sheet, account or report of the Company or in relation to the policy and operations of the Company.
- 40 **18.**—(1) Where a director of the Company is nominated either as a candidate for election to either House of the Oireachtas or as a member of Seanad Éireann, he shall thereupon cease to be a director of the Company. Membership of either House of the Oireachtas by directors.
- 45 (2) A person who is for the time being entitled under the Standing Orders of either House of the Oireachtas to sit therein shall, while so entitled, be disqualified from becoming a director of the Company.
- 19.**—(1) Taiscí Stáit Teoranta shall, on the appointed day, become dissolved by virtue of this section. Dissolution of Taiscí Stáit Teoranta and transfer of its property, etc.
- 50 (2) All property, whether real or personal (including choses-in-action), which immediately before the appointed day was vested in or

belonged to or was held in trust or subject to conditions for Taiscí Stáit Teoranta, and all rights, powers and privileges relating to or connected with any such property, shall on the appointed day, without any conveyance or assignment but subject where necessary to transfer in the books of any bank, corporation or company, become and be vested in or the property of or held in trust or subject to conditions for (as the case may require) the Company. 5

(3) All property transferred by this section which immediately before the appointed day was standing in the books of any bank or was registered in the books of any bank, corporation or company in the name of Taiscí Stáit Teoranta shall, upon the request of the Company made at any time on or after the appointed day, be transferred in those books by the bank, corporation or company into the name of the Company. 10

(4) Every chose-in-action transferred by this section may, on or after the appointed day, be sued upon, recovered, or enforced by the Company in its own name and it shall not be necessary for the Company to give notice to the person bound by any such chose-in-action of the transfer effected by this section. 15

(5) Every debt and other liability (including unliquidated liabilities arising from torts or breaches of contract) which immediately before the appointed day is owing and unpaid or has been incurred and is undischarged by Taiscí Stáit Teoranta shall, on the appointed day, become and be the debt or liability of the Company and shall be paid or discharged by and may be recovered from and enforced against the Company accordingly. 20 25

(6) Every contract which was entered into and is in force immediately before the appointed day between Taiscí Stáit Teoranta and any person shall continue in force on and after the appointed day, but it shall be construed and have effect as if the Company were substituted therein for Taiscí Stáit Teoranta and shall be enforceable by or against the Company accordingly. 30

(7) Where, immediately before the appointed day, any legal proceedings are pending to which Taiscí Stáit Teoranta is a party, the name of the Company shall be substituted for that of Taiscí Stáit Teoranta and the proceedings shall not abate by reason of such substitution. 35

1895, c. 16.

(8) Section 12 of the Finance Act, 1895, shall not apply to the vesting in the Company of the property or rights transferred by this section. 40

(9) In this section "the appointed day" means such day as the Minister appoints by order to be the appointed day for the purposes of this section. 40

Provision of money for payments under this Act out of Central Fund.

20.—(1) All moneys from time to time required by the Minister to meet sums which may become payable by him under this Act shall be advanced out of the Central Fund or the growing produce thereof. 45

(2) The Minister may, for the purpose of providing for advances out of the Central Fund under this section, borrow on the security of the Central Fund or the growing produce thereof any sums required for the purpose, and for the purpose of such borrowing, he may create and issue securities bearing interest at such rate and subject to such conditions as to repayment, redemption or any other matter as he thinks fit, and shall pay all moneys so borrowed into the Exchequer. 50

(3) The principal of and interest on all securities issued under this section and the expenses incurred in connection with the issue of the securities shall be charged on and payable out of the Central Fund or the growing produce thereof.

5 21.—The expenses incurred by the Minister in the administration of this Act shall be paid out of moneys provided by the Oireachtas. Expenses of Minister.

22.—(1) The Taiscí Stáit Teoranta Act, 1963, is hereby repealed. Repeal.
1963, No. 16.

(2) Subsection (1) of this section shall come into operation on the day appointed under section 19 (9) of this Act.

10 23.—This Act may be cited as the Fóir Teoranta Act, 1970. Short title.

BILLE

*(mar a tugadh isteach)
dá ngairtear*

Acht do dhéanamh socrú maidir le Fóir Teoranta agus maidir le Taiscí Stáit Teoranta a dhíscaoileadh.

An tAire Airgeadais a thug isteach

*Ordaíodh ag Dáil Éireann a chlóbhualadh,
28 Deireadh Fómhair, 1970*

**BAILE ÁTHA CLIATH:
ARNA FHOILSIÚ AG OIFIG AN tSOLÁTHAIR**

Le ceannach díreach ón Oifig Díolta Foilseachán Rialtais, An Stuaara, Árd-Oifig an Phoist, Baile Átha Cliath, nó trí aon díoltóir leabhar.

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BILL

*(as introduced)
entitled*

An Act to make provision in relation to Fóir Teoranta and in relation to the dissolution of Taiscí Stáit Teoranta.

Introduced by the Minister for Finance

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