



**AN BILLE UM CHRUAACH NA hÉIREANN TEORANTA, 1996**  
**IRISH STEEL LIMITED BILL, 1996**

**EXPLANATORY AND FINANCIAL MEMORANDUM**

*Introduction*

This legislation is required as part of the transaction for the sale of the shares in Irish Steel Limited, held by the Minister for Finance, to Ispat Mexicana S.A. DE C.V. The legislation provides for the repeal of the previous legislation passed by the Oireachtas on Irish Steel Limited, which will no longer apply when the company is sold to Ispat, and to enable the Minister for Enterprise and Employment to fulfil his financial commitments to Irish Steel Limited/Ispat Mexicana under the agreement for the sale of the shares of Irish Steel Limited.

*Section 1*

This is the interpretation section which provides definitions for certain terms used in the Bill.

*Section 2*

This section provides for the writing off of a loan of £17 million made by the Minister for Finance in 1985 to Irish Steel Limited.

*Section 3*

This section is to enable the Minister for Enterprise and Employment to fulfil his financial commitments to Irish Steel Limited/Ispat Mexicana in accordance with the agreement for the sale of the shares of Irish Steel Ltd.

*Section 4*

This section is to enable the Minister for Enterprise and Employment to fulfil a financial commitment to Ispat Mexicana in accordance with the agreement for the sale of the shares of Irish Steel Limited. An amount of £4,617,000 must be lodged in an Escrow Account in the joint names of the Minister for Enterprise and Employment and Ispat Mexicana.

*Section 5*

The purpose of this section is to enable the Minister for Enterprise and Employment to make a once off payment to the trustees of the staff pension fund of Irish Steel Limited in respect of a deficiency identified during the due diligence process.

*Section 6*

This section provides for all the moneys required to fulfil the financial commitments of the Minister for Enterprise and Employment in accordance with the agreement for the sale of the shares of Irish Steel Limited to be advanced out of the Central Fund.

**Section 7**

This section provides for the continuation of guarantees given by the Minister for Enterprise and Employment to ACC Bank plc and to the European Coal and Steel Community in respect of loans to Irish Steel Limited from those institutions. The guarantees will have to remain in place until the loans are repaid or the loans are prepaid by Ispat Mexicana.

**Section 8**

This section provides for any essential administration expenses incurred by the Minister for Enterprise and Employment to be paid out of moneys provided by the Oireachtas.

**Section 9**

This section provides for the repeal of all the Irish Steel legislation on a date to be appointed by the Minister for Enterprise and Employment by Order.

**Section 10**

Gives the short title of the Bill.

**Schedule**

This schedule provides details of the Irish Steel enactments to be repealed.

**Estimated Exchequer Costs**

The estimated Exchequer costs amount to £37,273,500 which includes the old Government loan of £17 million which is being written off.

**Staffing Implications**

The Bill has no staffing implications.

**Roinn Fiontar agus Fostaíochta,  
Márta, 1996.**