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**AN BILLE UM BANC ACC, 2001**  
**ACC BANK BILL, 2001**

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**EXPLANATORY MEMORANDUM**

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*Purpose of this Bill*

The purpose of this Bill is to increase the authorised share capital of ACC Bank plc. It also makes the necessary legislative provisions to facilitate the future sale of ACC Bank plc. Accordingly, it provides for the establishment of an Employee Share Ownership Trust and for the disposal by the Minister for Finance of shares in the Bank. The Bill also makes provisions in relation to certain guarantees of the borrowings of ACC Bank and for the repeal to the extent provided of the ACC Bank Acts, 1978 to 1999, as well as certain other related matters.

*Section 1* is an interpretation section that defines certain terms used in the Bill.

*Section 2* is a standard provision to the effect that expenses incurred by the Minister in the administration of the Bill shall be paid out of moneys provided by the Oireachtas.

*Section 3* provides for an increase in the authorised share capital of the Bank from £50 million to £100 million.

*Section 4* provides for the transfer of the relevant shares to the ESOT and for related matters. An Employee Share Ownership Plan (ESOP) is envisaged to be made up of up to 5% of the State's shareholding in return for change in the Bank and a further 9.9% stake to be available to be purchased by the staff.

*Section 5* provides for the disposal of the Minister's shares in ACC Bank plc. It also provides that the Minister must seek a motion of approval from Dáil Éireann for any disposal of shares other than to the ESOT or for the purposes of providing a Director with a share.

*Section 6* provides for the continuation of guarantees provided by the Minister. As at 31 December 2000, £489 million of ACC's total borrowings of £2,469 million were guaranteed by the Minister.

*Section 7* is a standard provision which requires ACC Bank plc to take such steps as are necessary under the Companies Acts, 1963 to 1999, to alter its memorandum and articles of association to make them consistent with the terms of this Bill.

*Section 8* provides that ACC shall no longer be subject to the requirement applying to statutory authorities under the Registration of Title Act, 1964 while providing for the case of properties whose registration is not complete on the commencement of this section, which will only occur following the sale of the Bank.

*Section 9* provides for the amendment of the definition of “recognised lender” in section 23 of the Agricultural Credit Act, 1978. This is being done to eliminate the requirement for banks to be recognised separately by the Minister, in addition to their normal licencing requirements, in order to provide chattel mortgages (mortgages in respect of livestock, etc.).

*Section 10* provides for the deletion of ACC from section 2 of the Insurance (Amendment) Act, 1978. This a consolidation section which will be commenced following the sale of ACC Bank. The section reflects the deletion of ICC Bank, which has been effected under the ICC Bank Act, 2000.

*Section 11* provides for the deletion of ACC Bank from section 3(2)(b) of the Companies (Amendment) Act, 1990. This is a consolidation section, which reflects the deletion of ICC Bank from the section, which has been effected under the ICC Bank Act, 2000.

*Section 12* and the accompanying *Schedule* to the Bill, provide for the repeal, to the extent provided for, of the ACC Bank Acts, 1978 to 1999 and the deletion of references to ACC in other legislation so that ACC is treated similarly in law to all other private companies.

*Section 13* contains the short title and commencement provisions. It also makes provision for the making of orders in relation to the repeals and revocations specified in the *Schedule* to the Bill.

*An Roinn Airgeadais*  
*Eanáir, 2001.*