

National Mutual Royal Savings Bank Limited (Merger) Bill

EXPLANATORY MEMORANDUM

Clause 1 states the purpose of the Bill which is to facilitate the merger of the National Mutual Royal Savings Bank Limited WITH the National Mutual Royal Savings Bank (NSW) Limited.

Clause 2 provides for the commencement of the Bill on a day to be proclaimed.

Clause 3 defines various terms used in the Bill including THE Victorian Bank which means the National Mutual Royal Savings Bank Limited and the Continuing Bank which means the National Mutual Royal Savings Bank (NSW) Limited.

Clause 4 provides that the Bill will bind the Crown.

Clause 5 vests the entire undertaking of the Victorian Bank in the Continuing Bank as its successor, and dissolves the Victorian Bank. It also ensures that references to the Victorian Bank, its office holders, places of business and mortgages are to be construed as being those of the Continuing Bank.

Clause 6 provides transitional provisions to ensure that—

- (i) instruments, instructions and the like given or addressed to the Victorian Bank are binding on the Continuing Bank;
- (ii) a security, including rights as bailee held by the Victorian Bank, for past or past and future advances is available to the Continuing Bank;
- (iii) negotiable Instruments and the like drawn by or against or endorsed by the Victorian Bank are as effective as if the Continuing Bank has been a party to the Instrument;
- (iv) the Banker–Customer relationship continues upon its transfer to the Continuing Bank;
- (v) contracts and the like to which the Victorian Bank is a party are binding on or enforceable against the Continuing Bank;
- (vi) legal proceedings are not abated or prejudiced by the operation of this Bill;
- (vii) nothing done under this Act or affected by the Act operates to place either Bank in breach of confidence, contract or any Act, nor release any surety.

Clause 7 provides that legal proceedings instituted by or judgments by or against the Victorian Bank may be continued or executed as the case may be by or against the Continuing Bank.

Clause 8 provides that the provisions of the *Evidence Act 1958* relating to Bankers and other businesses books of account, continue to apply to the books of account of the Victorian Bank and ensures that evidence admissible by or against the Victorian Bank can be used by or against the Continuing Bank.

Clause 9 provides that employees of the Victorian Bank become employees of the Continuing Bank on the same terms and conditions (including Superannuation) but are not entitled to receive a payment by reason only of the Victorian Bank being dissolved by the Bill.

Clause 10 provides a means of satisfying the requirement to notify an assignment of a charge registered under the *Companies (Victoria) Code*.