

No. XVII.

CURRENT ACCOUNT
DEPOSITORS.

An Act to provide for the making by the Colonial Treasurer of Advances upon Current Accounts in Banks which have suspended payment; for the issue and payment of Treasury Notes in connection therewith, and for making such Notes a legal tender; for the repayment of those Advances; for regulating Trust Accounts in the said Banks; and for purposes incidental to or consequent upon the above objects. [26th May, 1893.]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

Banks to which this Act applies.

Certificate of amount due on current account to be issued by suspended Banks.

Treasurer may advance half certified amount in Treasury Notes.

1. This Act shall apply only to a Bank which has, before or after the passing of this Act, suspended payment temporarily, with the view of reconstruction.

2. (i) The person appointed provisionally official liquidator of any such Bank (hereinafter called the liquidator) shall at the request of any person being a Creditor of the Bank in respect of current account payable in this Colony (hereinafter called the Creditor), issue to that Creditor a certificate under his hand in the form of the Schedule to this Act, certifying the amount due by the Bank to that Creditor on his current account or accounts at the time of the suspension of payment after deducting any sum or sums then accrued due to the Bank from him in the same right, and such certificate shall as against the Bank only be conclusive evidence of the facts stated therein.

(ii) If the liquidator refuses or neglects to issue a certificate as aforesaid, the Supreme Court, or a Judge thereof, may, upon the application of the Creditor, make a rule or order directing the liquidator to issue to the Creditor a certificate for the moneys appearing on the books of the Bank to be due to the Creditor as aforesaid.

3. Advances to such amount as he thinks fit, not exceeding one half of the moneys so certified to be due to the Creditor, may be made by the Treasurer in Treasury Notes in either of the two ways next mentioned:—

(i) The advance may be made to the Creditor on his personal application lodged at the Treasury before the reopening of the Bank for business, or the opening of any Bank incorporated for the purpose of taking over its business and assets, and on his depositing in the Treasury the certificate, specially indorsed by him to the Treasurer, together with a statutory declaration that he has not dealt with or charged the moneys certified to be due.

(ii) The advance may be made to the liquidator on behalf of the Creditor on deposit in the Treasury by the liquidator of the prescribed authority from the Creditor in that behalf, together with the certificate specially indorsed by the Creditor to the Treasurer,

Current Account Depositors.

Treasurer, and a statutory declaration by the Creditor that he has not dealt with or charged the moneys certified to be due; and the advance shall be placed by the liquidator in the Bank in trust for the Creditor, to be held as provided in section ten.

(III) Upon making the advance the Treasurer shall cause to be delivered to the Creditor or the liquidator on his behalf, an acknowledgment in the form prescribed that the Treasurer holds the certificate as security for the advance, setting forth the names of the Bank and of the Creditor respectively, the sum certified to be due, and the amount of the advance.

4. On deposit and indorsement of the certificate, the Treasurer for the time being shall, while holder thereof, have all the rights of the Creditor in respect of the moneys certified to be due. He shall be entitled to any shares and securities which may be issued in respect of the moneys certified to be due or any part of them by any Bank incorporated for the purpose of taking over, on the winding-up of the Bank which issued the certificate, its business and assets. If the Treasurer shall neglect or refuse to apply for or accept any such shares the Creditor shall be entitled to a transfer from the Treasurer of all rights of the Treasurer in respect of the shares on payment by the Creditor of a proportion of the advance equal to the value of the shares. But any debt due to the Treasurer on behalf of Her Majesty as holder of the certificate or as holder of any shares or securities so issued to him as aforesaid shall not, in respect of priority of payment, be deemed a Crown Debt.

5. The Treasurer, while the holder of a certificate or of any shares or securities issued to him in respect of the moneys certified to be due, shall receive and pay into the Consolidated Revenue Fund for the use of Her Majesty all dividends, interest, and other profits payable in respect of the moneys, shares, or securities.

He shall also receive all principal payable in respect thereof, and pay the same into the Consolidated Revenue Fund for the use aforesaid until the payments of principal equal the amount advanced on the security of the certificate: And he shall hold in trust for the Creditor (subject to the provisions of this Act) all principal received by him in excess of that amount.

6. (i) At any time within five years from the passing of this Act, the Creditor or his personal representative, official assignee, or committee shall be entitled on application to the Treasurer, personally or by agent duly authorised, in the form prescribed, and on repayment of so much of the amount (if any) of the advance as then remains due, to have the certificate delivered and indorsed back to him, and the shares and securities (if any) assigned and delivered to him, and the principal (if any) received and held for him in trust paid to him, by the Treasurer, but without dividends, interest, or other profits.

(ii) At the expiration of the said period, in default of such application, any shares or securities then held by the Treasurer may be converted by him into money, and together with any principal moneys remaining in his hands paid into the Consolidated Revenue Fund for the use of Her Majesty.

7. The Treasurer may, for the purposes of this Act only, issue Treasury Notes to an amount not exceeding two millions pounds in the form and manner prescribed and of the respective values of one pound, five pounds, and such multiples of five pounds as may be prescribed.

The Notes shall be payable in gold on presentation at the Treasury upon the expiration of five years from the passing of this Act, or within such shorter time as the Governor, with the advice of the

Rights of Treasurer
as holder of certificate.

Receipt by Treasurer
of annual profits and
capital moneys as
holder of certificates.

Redemption of
certificates by
indorser to
Treasurer.

Issue of Treasury
Notes.

Current Account Depositors.

the Executive Council, may notify by proclamation in the *Gazette*, but no Note shall be so payable unless presented at the Treasury before the expiration of six years from the passing of this Act.

Treasury Notes to be legal tender for five years.

Gradual withdrawal of Notes from circulation.

Trust accounts in suspended Banks.

Governor may make regulations.

Interpretation.

Short title.

8. During the said period of five years a tender of any Treasury Note issued under this Act shall be everywhere within the Colony a good and legal tender of money to the amount named therein.

9. During each month the Treasurer shall withdraw from circulation and cancel Treasury Notes to an amount equal to the moneys received by him during the month next preceding in reimbursement of advances made under this Act, and shall publish in the *Government Gazette* every month a statement of the amount of Treasury notes outstanding on the first day thereof, together with a statement of the amount of moneys received in respect of the said notes during the preceding month.

10. The liquidator of any Bank to which this Act applies may, in the course of his duty as liquidator and as representing the Bank, receive the moneys of any person and place and hold them in the Bank in trust for the person on whose behalf they were received. He shall not lend or invest the said moneys, but shall pay them out on the written request, in the form of cheques or orders, of the person on whose behalf he has received and holds them, or of Bills or Notes accepted or made by that person, domiciled at the Bank, and maturing at or subsequently to the receipt by him of the said moneys.

Moneys deposited in trust by the Creditor after the suspension of payment in any Bank to which this Act applies shall be deemed to have been deposited with and to be held by the liquidator in accordance with this section.

In the event of the winding-up of the Bank, moneys held by the liquidator under this section or section three shall not be assets in the winding-up.

11. The Governor with the advice of the Executive Council may make regulations for the purpose of carrying this Act into effect.

12. In this Act the word "Bank" includes branch Bank, and means a company or corporation carrying on in this Colony the business of banking only at the time of suspending payment; the word "Treasurer" means the Colonial Treasurer; and "prescribed" means prescribed by regulations made under the authority of this Act.

13. This Act may be cited as the "Current Account Depositors' Act of 1893."

SCHEDULE.

"CURRENT ACCOUNT DEPOSITORS' ACT OF 1893" - Section 2.

Certificate of amount due on Current Account.

I [name], the liquidator of the [name of company or corporation], certify that at the time of the suspension of payment by the said Bank there was due to [name of creditor] from the said Bank the sum of £ _____ on his current account.

Signature of Liquidator, and Date.