

[Act 1996 No 130]



New South Wales

# Bank Mergers Bill 1996

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

### Overview of Bill

The object of this Bill is to enable regulations to be made to facilitate the merger of banks. The Bill deals with mergers originating in New South Wales. Mergers of banks originating in other States or Territories are dealt with under the *Bank Mergers (Application of Laws) Act 1996*.

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## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on the date of assent.

**Clause 3** sets out the object of the proposed Act.

**Clause 4** enables the Governor-in-Council to make regulations providing for or relating to the merger of 2 or more banks. The regulations may relate to various matters, including the transfer of the undertaking of a bank to another bank or a bank becoming the successor in law to another bank, obligations of the banks concerned, the effect of the merger on assets, contracts, securities and other matters, the recognition of the transfer of assets and liabilities, and other matters of a savings or transitional nature.

**Clause 5** enables a regulation relating to a bank being merged with another bank to provide for the former bank's dissolution or liquidation and to make provision for universal succession.

**Clause 6** contains a general regulation making power.

**Clause 7** sets out Parliament's intention that regulations relating to the merger of banks should, as far as possible, have effect in relation to land, acts, things, transactions and matters outside New South Wales, whether in or outside Australia.

**Clause 8** provides that the proposed Act binds the Crown.

**Clause 9** excludes regulations under the Act from the operation of the *Subordinate Legislation Act 1989*.

**Clause 10** provides for the review of the Act by the Minister 5 years after its commencement.