CHAPTER ccxli.

An Act to extend the Powers of the Ionian Bank, and for other purposes. [18th August 1882.]

Formation of Ionian Bank and incorporation in Ionian Islands.

WHEREAS in the year one thousand eight hundred and thirty-nine certain persons in England formed an association for the purpose of carrying on the business of a banker in the Ionian Islands, and in the same year the said Association was under the laws then in force in the United States of the Ionian Islands, and by a resolution or charter of the Senate of the said States, duly constituted a société anonyme by the name of the Ionian Bank, with certain powers and privileges expressed to be granted to the said Bank for a term of twenty years, which term of twenty years it was by a resolution of the Senate of the said United States passed upon the seventeenth day of March, one thousand eight hundred and fifty-nine, declared to be computed from the first day of March in the year one thousand eight hundred and forty:

English deed of settlement, 14th September 1840. Royal charter 18th January 1844.

And whereas the said Association was subsequently constituted in England by a deed of settlement dated the fourteenth day of September, one thousand eight hundred and forty, and by royal charter dated the eighteenth day of January, one thousand eight hundred and forty-four, the persons in the said charter named as being then directors of the said Bank, together with all other subscribers and proprietors of the capital thereof, were incorporated by the name of the Ionian Bank for the purpose of carrying on the business of a banker in the United States of the Ionian Islands and at the several agencies of the Association in connexion therewith, under and by virtue of the said charter of the Government of the United States of the Ionian Islands, and the said royal charter gave power to increase the capital of the Corporation (which was originally one hundred thousand pounds) to the sum of five hundred thousand pounds on the conditions therein

A.D. 1882.

mentioned, and contained divers powers, provisions, and conditions as to the raising of new capital, the issue of notes (whereof the total amount was not to exceed the amount of the paid-up capital of the Corporation, and which were not to be issued for sums of less amount or denomination than one pound sterling), the holding of land by the Corporation as security or satisfaction for debts, the liability of the shareholders in case of the Corporation becoming insolvent, and otherwise; and by the said charter it was ordained that, subject to the conditions thereof, the same should continue in force for so long a time as the said Association should continue to carry on the business of banking in the United States of the Ionian Islands, under and by virtue of the then existing charter or privilege of the Government of the said States, or any other charter or privilege which might be thereafter granted or conferred by the Government or Legislature of the said States in substitution for, or continuation of, the said then existing charter or privilege, and not for any longer period or otherwise howsoever:

Continuation of privileges in Ionian Islands 1860.

And whereas the Ionian Bank was authorised by the Senate of the said United States to carry on its operations for sixty days from the date of the expiration on the first day of March, one thousand eight hundred and sixty, of the charter of the said States first above recited, and was thereafter by a resolution of the Senate of the said States, made on the fifth day of April, one thousand eight hundred and sixty, and approved by the Lord High Commissioner, authorised for the further term of twenty years to carry on banking operations in the Ionian States as therein mentioned, and subject to the Act of the Ionian Parliament therein referred to:

Transfer of local jurisdiction to Kingdom of Greece 1864.

And whereas by treaty (herein-after called the treaty of London) dated the twenty-ninth day of March, in the year one thousand eight hundred and sixty-four, Her Majesty renounced Her protectorate over the Ionian Islands, and the said islands were ceded to the Kingdom of Greece, whereby the Ionian Bank and its places of business and its issue of notes and the operations carried on by it in the said islands became and the same still are subject to the territorial sovereignty and jurisdiction of His Majesty the King of the Hellenes:

And whereas by article 7 of the said treaty His Majesty the King of the Hellenes engaged to take upon himself all the engagements and contracts lawfully concluded by the Government of the United States of the Ionian Islands or in their name by the protecting Power of those Islands whether with foreign Governments with companies and associations or with private individuals and promised to fulfil the said engagements and contracts fully and

completely as if they had been concluded by His Majesty or by the Hellenic Government and under such engagements and contracts the privileges among others conceded to the Ionian Bank are by the said recited article of the said treaty expressly included:

Confirmation of privileges of Bank by Greek Government.

And whereas the local powers and privileges of the Ionian Bank have been from time to time recognised, ratified, and extended by the Greek Government in conventions with the Bank and otherwise, and in the year one thousand eight hundred and eighty were by the Greek Government definitely renewed and established for a further term of twenty-five years, and under such conventions and for the purpose of promoting the interests and business of the Bank and maintaining its privileges in the Kingdom of Greece, and in accordance with the laws of that State, the Bank has from time to time issued notes having legal currency in Greece, and as incident to such recognition and extention and in accordance with the laws of Greece the Ionian Bank advanced money to the Greek Government, established and continued branch banks at Athens, Patras, and other places on the continent of Greece, made advances on the security of land and otherwise, and has undertaken divers other financial operations at the request or with the sanction of the said Government:

Doubts as to regularity of certain transactions.

And whereas the Ionian Bank has carried on business ever since the second day of March, one thousand eight hundred and forty, but doubts have recently arisen whether certain of the transactions of the Bank consequent on the cession of the Ionian Islands to the Kingdom of Greece, or otherwise, have been in accordance with the powers vested in the Company as being in excess of the powers conferred by the said royal charter more particularly in respect of the matters following:—

1. That the Bank has established branches on the mainland of Greece;
2. That notes of the Bank have been issued for a total nominal amount in excess of the paid-up capital for the time being of the Bank, and like notes and half notes have been issued for nominal amounts less than the equivalent of one pound sterling;
3. That the Bank has made loans to the Greek Government and on mortgage or otherwise on the security of land in the Ionian Islands and elsewhere in Greece, and has entered into undertakings with the said Government as to the investment of moneys and otherwise as to the business of the Bank:

And whereas the said acts were done in good faith by the directors of the Bank for the time being and with the cognisance

A.D. 1882.

of the shareholders, or a majority of them, and in the belief that the sanction of the Greek Government was by reason of the cession of the said Ionian Islands, and the consequent jurisdiction of that Government over the said Bank, sufficient to authorise the same, and all such acts have been done in a proper way of banking business in Greece and for the benefit and profit of the Bank, and it is expedient to remove all doubts as to the validity of the said acts, and to make such further provision in regard to the Bank as is herein-after contained:

And whereas the purposes aforesaid cannot be attained without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted, and be it enacted, by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled, and by the authority of the same (as follows):—

Short title.

1. This Act may be cited as the Ionian Bank Act, 1882.

Powers of Bank.

2. All acts which the Ionian Bank has been authorised to do by the Greek Government shall be deemed to have been duly done by the Bank, and not to have been infringements of the royal charter, which shall be deemed, on the cession by Her Majesty of Her protectorate over the Ionian Islands, to have become subject to Greek law in the same manner as if it had been a Greek charter, and it shall be lawful for the said Ionian Bank, so far as the English law is concerned, to continue to do all acts so authorised as aforesaid by the Greek Government.

Cessor of royal charter and registration under Companies Acts.

25 & 26 Vict. c. 89, &c.

3. The said royal charter shall, so far as the same is still in force, cease and determine on the thirty-first day of March, one thousand eight hundred and eighty-three, or any earlier day on which the Bank may previously have obtained a certificate of registration as a company with limited liability under the Companies Acts 1862 to 1879, which registration the said Bank is hereby empowered to apply for and obtain, with such extension of powers in relation to the several matters herein-before recited, and otherwise, as has been granted to them by the Greek Government.

Liability of shareholders after registration under Companies Acts.

4. If on or before the thirty-first day of March, one thousand eight hundred and eighty-three, the Ionian Bank is registered under the Companies Acts 1862 to 1879, then, notwithstanding anything in the Companies Acts 1862 to 1879 contained, the liability of the shareholders of the Ionian Bank shall, after such registration as aforesaid, so far as the English law is concerned,

in the event of the Company being wound up in England, be in accordance with the liability to which they were subject under the said royal charter, that is to say, to the contribution of an amount not exceeding the difference between twice the nominal value of the shares held by them respectively and the amount actually called and paid up thereon.

Paid-up capital and note issue to be equalised.

5. Provided always, that the powers and privileges given by this Act are subject to this condition, to be performed on the part of the Ionian Bank, that is to say, that the Bank shall, before registering itself as a company with limited liability, by increasing its paid-up capital or by reducing the amount of its issue of notes, or partly by the one means and partly by the other, make the amount of its paid-up capital not less than the amount of its notes issued and outstanding at the date of its being so registered, and shall also prove to the satisfaction of the registrar of joint stock companies that they have complied with this provision:

Provided also, that if at any time after the registration aforesaid, the amount of the note issue of the Bank is for the space of one month in excess of the amount of paid-up capital, the Bank may on the application of any shareholder or creditor be wound up.

Increased capital may be raised by new shares.

6. For the purpose of maintaining equality between the amount of paid-up capital and of note issue, the Bank may at any time and from time to time up to the said thirty-first day of March, one thousand eight hundred and eighty-three, increase its capital by the issue of new shares, and the new capital may be raised by the issue of either ordinary or preferred shares, and generally on such terms as may be approved by an extraordinary general meeting of the shareholders.

Indemnity of directors for past acts.

7. After the passing of this Act a director of the Ionian Bank shall not be liable for or in respect of anything done before the passing of this Act by the directors on behalf of the Bank which would have been lawful if the same had been done after the passing of this Act, further or otherwise than he may be liable under the said royal charter as a shareholder in the Bank, and in proportion to his share and interest in the capital thereof.

Saving clause.

8. Nothing in this Act shall be deemed to authorise the doing of anything within the jurisdiction of the Greek Government contrary to the law of Greece or to the terms or conditions of any instrument of incorporation, or other local privileges granted by the said Government to the Ionian Bank, and for the time being in force.

A.D. 1882.

Costs of Act.

9. All costs, charges, and expenses of and incident to the preparing for, obtaining, and passing of this Act, or otherwise in relation thereto, shall be paid by the directors of the Ionian Bank out of the funds and common stock of the Bank.

LONDON: Printed by George E. B. Eyre and William Spottiswoode,
Printers to the Queen's most Excellent Majesty. 1882.