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by the Deputy of St. Mary**



STATES OF JERSEY

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Report

HSBC Republic Holdings (C.I.) Limited is a Jersey-registered wholly owned subsidiary of HSBC Holdings Plc. It is, in turn, the parent company of ten other Jersey-registered companies within the HSBC Group.

Because of historical mergers and acquisitions, three of its subsidiaries conduct trust business in Jersey, HSBC Trustee (C.I.) Limited, HSBC Trustee (Jersey) Limited and BBME Trustee (Jersey) Limited. It is inefficient for the Group to have three trust companies in Jersey when only one is needed.

Thus, the purpose of the Law is to effect the transfer of the whole of the undertakings of HSBC Trustee (Jersey) Limited and BBME Trustee (Jersey) Limited to HSBC Trustee (C.I.) Limited.

The draft Law is in very similar terms to those of a number of previous Jersey Laws. It has been privately drafted but has been approved and reformatted by the Law Draftsman's Office.

HSBC REPUBLIC HOLDINGS (C.I.) LIMITED (JERSEY)
LAW 200-

A LAW to carry into effect the acquisition of the undertakings of HSBC Trustee (Jersey) Limited and BBME Trustee (Jersey) Limited by HSBC Trustee (C.I.) Limited and to provide for other purposes incidental thereto and consequential thereon, sanctioned by Order of Her Majesty in Council of the

(Registered on the _____ day of _____ 200-)

STATES OF JERSEY

The _____ day of _____ 200-

WHEREAS -

- (1) HSBC Republic is a company incorporated in the Island under the Companies (Jersey) Laws 1861 to 1968;^[1]
- (2) HSBC Trustee (Jersey) and HSBC Trustee (C.I.) are companies incorporated in the Island under the Companies (Jersey) Laws 1861 to 1968¹ and are wholly owned subsidiaries of HSBC Republic;
- (3) BBME Trustee is a company incorporated in the Island under the Companies (Jersey) Law 1991^[2] and is a wholly owned subsidiary of HSBC Republic;
- (4) HSBC Trustee (Jersey), BBME Trustee and HSBC Trustee (C.I.) each carry on trust business in the Island and HSBC Trustee (Jersey) and HSBC Trustee (C.I.) are trust corporations within the meaning of the Probate (Jersey) Law 1998^[3] and as such are authorized to apply for grants of probate and administration;
- (5) It is expedient in the interests of the efficient and effective conduct of the businesses of HSBC Trustee (Jersey), BBME Trustee and HSBC Trustee (C.I.) that their businesses should be combined and the most effective way of achieving this is for HSBC Trustee (C.I.) to acquire the undertakings of HSBC Trustee (Jersey) and BBME Trustee and that such acquisitions should be effected economically and without interference with the conduct and continuity of those businesses;
- (6) It is further expedient that such acquisitions should be effected as provided in this Law;

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law

ARTICLE 1

Interpretation

- (1) In this Law, unless the context otherwise requires -
 - “appointed day” means such day as the States appoint pursuant to Article 8;
 - “BBME Trustee” means BBME Trustee (Jersey) Limited;
 - “HSBC Republic” means HSBC Republic Holdings (C.I.) Limited;
 - “HSBC Trustee (C.I.)” means (subject to paragraph (2)) HSBC Trustee (C.I.) Limited;

“HSBC Trustee (Jersey)” means HSBC Trustee (Jersey) Limited;

“liabilities” includes duties and obligations of every description, whether present or future, actual or contingent;

“property” means property of every description (whether present or future, actual or contingent, movable or immovable) and includes property and assets held on trust or in a fiduciary capacity and securities, rights, benefits and powers of every description;

“subsidiary” has the same meaning as in Article 2 of the Companies (Jersey) Law 1991;^[4]

“transferor” means either HSBC Trustee (Jersey) or BBME Trustee;

“undertaking” means the business and all property and liabilities of whatever nature but does not include property required to be kept pursuant to the provisions of the Companies (Jersey) Law 1991;^[5]

“will” includes a codicil and any other testamentary writing.

(2) A reference in this Law to property or liabilities of a transferor is a reference to property or liabilities wherever they are situated or arise and whether or not they are capable of being transferred or assigned by that transferor and whether that transferor is entitled or subject to them under the Law of the Island or under the Law of any country or territory outside the Island.

(3) A reference in this Law to an Article by number only, and without further identification, is a reference to the Article of that number in this Law, and a reference in an Article or other division of this Law to a paragraph or sub-paragraph by number or letter only, and without further identification, is a reference to the paragraph or sub-paragraph of that number or letter in the Article or other division of this Law.

(4) Unless the context otherwise requires, a reference in this Law to an enactment is a reference to that enactment as amended from time to time and includes a reference to that enactment as extended or applied under any other enactment, including another provision of this Law.

ARTICLE 2

Acquisition of undertakings

On the appointed day the undertakings of HSBC Trustee (Jersey) and BBME Trustee shall by virtue of this Law be acquired by HSBC Trustee (C.I.) to the intent that HSBC Trustee (C.I.) shall succeed to and acquire the whole of the undertakings of HSBC Trustee (Jersey) and BBME Trustee as if in all respects HSBC Trustee (C.I.) were the same persons in law as HSBC Trustee (Jersey) and BBME Trustee in respect of such undertakings.

ARTICLE 3

Provisions relating to the acquisition of undertakings

(1) The production of a copy of this Law signed by the Greffier of the States shall, on and after the appointed day, be conclusive evidence in all courts and proceedings of the acquisition of the undertakings of HSBC Trustee (Jersey) and BBME Trustee by HSBC Trustee (C.I.) and their vesting in HSBC Trustee (C.I.).

(2) The Royal Court shall, when it orders the registration of this Law, also order the registration of a copy of this Law signed by the Greffier of the States in the Public Registry of Contracts.

(3) The registration of a copy of this Law in the Public Registry of Contracts shall have like effect as a contract passed before the Royal Court and the title to any property vested in, belonging to or held by a transferor (including leasehold property) which immediately before the appointed day was registered in the Public Registry of Contracts shall vest in, belong to and be held on and after that day by HSBC Trustee (C.I.).

(4) No fees shall be payable under the Stamp Duties and Fees (Jersey) Law 1998^[6] in relation to the registration of a copy as required by paragraph (2).

ARTICLE 4

Saving of contracts, etc.

(1) Without prejudice to the generality of any other provision of this Law but subject to any provision of this Law to the contrary effect, all contracts, agreements, indemnities, conveyances, leases, deeds, settlements, wills, certificates, bonds, guarantees, securities, appointments, licences, permits, consents, notices, mandates, instructions and other instruments or undertakings entered into by, made with or addressed to a transferor in connection with the undertaking of that transferor (whether alone or with any other person and whether as a principal or agent and whether in writing or not) shall be construed and have effect on and from the appointed day as if -

- (a) instead of that transferor, HSBC Trustee (C.I.) had been the person by whom they were entered into, with whom they were made, to or by whom they were given or to whom they were addressed (as the case may be);
- (b) for any reference (howsoever worded and whether express or implied) to that transferor there were substituted, as regards anything falling to be done or capable of being done on or after the appointed day, a reference to HSBC Trustee (C.I.); and
- (c) any reference (however worded and whether express or implied) to the directors or any director, officer or employee of that transferor were, as regards anything falling to be done or capable of being done on or after the appointed day, a reference to the directors of HSBC Trustee (C.I.), or as the case may require, to such director, officer or employee of HSBC Trustee (C.I.) as HSBC Trustee (C.I.) may appoint for that purpose or, in default of appointment, to the director, officer or employee of HSBC Trustee (C.I.) who corresponds as nearly as may be to the first mentioned director, officer or employee.

(2) Without prejudice to the generality of any other provision of this Law, but subject to any provision in this Law to the contrary effect, any deed or other instrument or document and any contract, agreement or undertaking not in writing (other than one to which paragraph (1) applies or a will) in existence immediately before the appointed day and in which there is a reference (however worded and whether express or implied) to a transferor in respect of its undertaking or to the directors or any director, officer or employee of a transferor in respect of its undertaking shall be construed and have effect on and from the appointed day in accordance with paragraph (1)(b) or (c).

(3) Without prejudice to the generality of any other provision of this Law, any deed or other instrument or document (other than a will) and any contract, agreement or undertaking not in writing which is made, executed or given on or after the appointed day in relation to a transferor in respect of its undertaking and in which there is a reference (however worded and whether express or implied) to that transferor in respect of its undertaking or to the directors or any director, officer or employee of that transferor in respect of its undertaking shall be construed and have effect in accordance with paragraph (1)(b) or (c).

(4) Without prejudice to the generality of any other provision of this Law, but subject to any provisions in this Law to contrary effect, any enactment (other than this Law) containing a reference (however worded and whether express or implied) to a transferor in respect of its undertaking or to the directors or any director, officer or employee of a transferor in respect of its undertaking shall be construed and have effect on and from the appointed day in accordance with paragraph (1) (b) or (c).

ARTICLE 5

Actions, etc. not to abate

(1) Any action, arbitration or proceeding and any cause of action, arbitration or proceeding in relation to the undertaking of a transferor which shall on the appointed day be pending or existing by, against or in favour of such transferor shall not abate or be discontinued or be in any way prejudicially affected by reason of the provisions of this Law, but the same may be prosecuted, continued and enforced by, against or in favour of HSBC Trustee (C.I.) as and when it might have been prosecuted, continued and enforced by, against or in favour of that transferor if this Law had not been passed.

(2) Where by virtue of this Law any right or liability of a transferor in respect of its undertaking becomes a right or liability of HSBC Trustee (C.I.), HSBC Trustee (C.I.) and all other persons shall, on and from the appointed day, have the same rights, powers and remedies (and in particular the same rights and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, claiming, perfecting or enforcing the right or liability as if it had at all times been a right or a liability of HSBC Trustee (C.I.).

(3) Any judgement, order or award obtained by or against a transferor and not fully satisfied before the appointed

day shall on and after that day, to the extent to which it is enforceable by or against the transferor, only be enforceable by or against HSBC Trustee (C.I.).

ARTICLE 6

Documents, etc. to remain evidence

All documents, records and admissions which, if this Law had not been passed, would have been evidence in respect of any matter for or against a transferor in relation to its undertaking shall, on and after the appointed day, be admitted in evidence in respect of the same or the like matter for or against HSBC Trustee (C.I.).

ARTICLE 7

Provisions as to trust property and trusteeships, etc.

(1) Any property transferred to and vested in HSBC Trustee (C.I.) which, immediately before the appointed day, was held by a transferor in respect of its undertaking whether alone or jointly with any other person -

- (a) as trustee or custodian trustee of or under any trust instrument, settlement, covenant, agreement, power or will, and whether originally so appointed or not, and whether originally so appointed or not, and whether appointed under hand or seal, or by order of any court or otherwise;
- (b) as executor of the will or as administrator of the estate of a deceased person;
- (c) as a bailee, depositary or custodian; or
- (d) in any other fiduciary capacity whatsoever,

shall, on and from the appointed day, be held by HSBC Trustee (C.I.) alone or jointly with such other person (as the case may be), in the same capacity, upon the trusts and with and subject to the rights, powers, provisions, liabilities and obligations applicable thereto respectively.

(2) Any order of any court or any trust instrument, settlement, covenant, agreement, will or appointment, whether made or executed before, on or after the appointed day, in relation to a transferor in respect of its undertaking under or by virtue of which that transferor in respect of its undertaking was or is or, but for the provisions of this Article, would have been (whether alone or with any other person) granted letters of administration or appointed trustee, custodian trustee, executor, guardian or custodian or appointed or confirmed in any other fiduciary capacity shall not fail by reason of anything in this Law but shall, on and from the appointed day (or, if it be later, the day upon which such order, trust instrument, settlement, covenant, agreement, will or appointment is made or executed), be read, construed and have effect as if for any reference therein to that transferor in respect of its business there were substituted a reference to HSBC Trustee (C.I.).

(3) Where any order, trust instrument, settlement, covenant, agreement, will or appointment such as is mentioned in paragraph (2) -

- (a) authorized or authorizes a transferor in respect of its business; or
- (b) in the case of any such order or other instrument taking effect after the appointed day in relation to a transferor in respect of its business, would have authorized a transferor in respect of its business if that transferor in respect of its business had accepted such appointment,

to charge remuneration or otherwise to act in accordance with a scale or terms or conditions applicable to that transferor in respect of its business at any particular date before, on or after the appointed day or for the time being, then on and from the appointed day (or, if it be later, the day upon which such order, trust, instrument, settlement, covenant, agreement, will or appointment is made or executed) every reference in such order, trust, instrument, settlement, covenant, agreement, will or appointment to such scale or terms or conditions shall be construed and have effect as if the same were a reference to the corresponding scale or terms or conditions applicable to HSBC Trustee (C.I.).

ARTICLE 8

Appointed Day

This Law shall come into force on such day as the States may by Act appoint.

ARTICLE 9

Citation

This Law may be cited as the HSBC Republic Holdings (C.I.) Limited (Jersey) Law 200-.

[1] Tomes I-III, page 232 and Volume 1968-1969, page 103.

[2] Volume 1990-1991, page 875, Volume 1992-1993, page 63, Volume 1994-1995, page 351, Volume 1996-1997, pages 552 and 683, Volume 1998, pages 499 and 594, Volume 1999, pages 107 and 525 and R & Os 8326 and 8941.

[3] Volume 1998, page 305.

[4] Volume 1990-1991, page 890.

[5] Volume 1990-1991, page 875, Volume 1992-1993, page 63, Volume 1994-1995, page 351, Volume 1996-1997, pages 552 and 683, Volume 1998, pages 499 and 594, Volume 1999, pages 107 and 525 and R & Os 8326 and 8941.

[6] Volume 1998, page 103 and R & Os 9369 and 9441.