



Irish Bank Resolution Corporation Act, 2013

The Irish Bank Resolution Corporation Act, 2013, the legislation allowing for the immediate liquidation of Irish Bank Resolution Corporation Limited (IBRC) passed through both Houses of the Oireachtas in the early hours of 7th February, 2013 before being signed into law by President Michael D. Higgins shortly afterwards. IBRC was formerly Anglo Irish Bank Corporation plc; most of the assets and liabilities of Irish Nationwide Building Society were transferred to it in July, 2011. This legislation was part of the Irish Government's strategy in securing a deal on the promissory notes it issued to IBRC and which were used as security for IBRC's borrowings from the ECB and was designed (in the words of the Act) to "help address the continuing serious disturbance in the economy of the State" as well as "protect the interests of the taxpayer". The Act facilitates "an orderly and efficient" wind down of IBRC thus bringing an end to the State's and the Central Bank of Ireland's continuing exposure to IBRC and is to assist "to the extent achievable" in the recovery of the financial assistance provided by the State to IBRC as efficiently as possible. The Government and the Central Bank of Ireland envisage that these measures will help restore confidence in the Irish Banking sector.

Key Points:

- The winding up of all IBRC's business and operations commenced on the day the Act was passed, after the Minister for Finance signed a Special Liquidation Order under Section 4 of the Act appointing Mr Kieran Wallace and Mr Eamonn

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Richardson of KPMG as joint Special Liquidators of IBRC.

- The Minister for Finance has been given the power to direct the sale or transfer of IBRC's assets and liabilities to the National Asset Management Agency (NAMA).
- The net debt owed by IBRC to the Central Bank of Ireland and its associated floating charge security will be purchased by NAMA.
- The Ministerial Guarantee underpinning the net debt owed to the Central Bank of Ireland will also be transferred to NAMA.
- Deposits up to a maximum of €100,000 per qualifying depositor will be repaid by the Central Bank of Ireland under the Deposit Guarantee Scheme. Deposits over €100,000 and all other debt liabilities guaranteed by the Eligible Liabilities Guarantee will be administered by the National Treasury Management Agency.
- There is an immediate stay on all proceedings against IBRC.
- Court powers to grant injunctive relief in certain proceedings against IBRC have been limited.
- IBRC will continue to be a Participating Institution under National Asset Management Agency Act, 2009 until 1st July, 2013 or a later date determined by the Minister. NAMA shall have the power to employ staff in the NAMA group entity which acquires IBRC's assets.
- The Minister for Finance may issue securities whenever and so often as the Minister sees fit "in exchange for or in consideration of the redemption, release or cancellation of the transfer to the Minister of any liability or obligation of the Minister to IBRC". Any payments required to be made in respect of the said securities issued by the Minister or costs associated with their issuance may be charged on the Central Fund.
- All IBRC employee contracts have been terminated.

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