

**REPORT OF PROCEEDINGS OF
LEGISLATIVE COUNCIL**

**Douglas, Tuesday, 28th May 2002
at 10.30 a.m.**

Present:

The President (the Hon N Q Cringle), the Attorney-General (Mr W J H Corlett QC), Hon Mrs C M Christian, Messrs E A Crowe, J R Kniveton, E G Lowey, Dr E J Mann, Messrs J N Radcliffe and G H Waft, with Mrs M Cullen, Clerk of the Council.

The Chaplain of the House of Keys took the prayers.

Apologies for Absence

The President: Hon. members, we have apologies this morning from the hon. member Mr Delaney, who is called to give evidence at the Mount Murray inquiry, and also the Lord Bishop, who is on Church business this morning.

Greenhouse Gases — Reduction — Question by Mr Lowey

The President: We start with questions on the order paper, hon. members.

Question 1. The hon. member (Mr Lowey) to ask a member of the Council of Ministers (Mrs Christian):

What steps have been taken to honour the Island's commitment to the Rio convention on the implementation of reduction of greenhouse gases?

The President: I call on the hon. member Mr Lowey.

Mr Lowey: Thank you, Mr President, I beg leave to ask the question standing in my name.

The President: I call on the Minister for Health and Social Security to reply.

Mrs Christian: Mr President, I think - it has been said before, but I would reiterate - that the Isle of Man has no commitment arising from the Rio convention to secure a particular reduction in greenhouse gases. The Isle of Man's emissions are included within the total for the United Kingdom and are not separately identified. Having said that, we are still keen to play our part in reducing greenhouse gas emissions.

The greatest single contribution to a reduction in emissions will be the work by the MEA in constructing the cable to the United Kingdom and in the construction of the gas-fired power station which will supersede the existing diesel plant, but in addition there are a number of other measures being pursued by the Department of Local Government and the Environment. The department has contracted the United Kingdom Environment Agency, as its advisers, to assist in the regulation and control of emissions from the proposed energy-from-waste facility. This is a significant step forward as previously there have been no atmospheric control measures in the Isle of Man.

DoLGE has two dual-fuel vehicles, petrol and LPG vehicles, which are not only operational but are exhibited in environmental events such as the recent Agenda 21 Forum at Ballakermeen High School. The department is also looking at other environmentally friendly vehicles.

In the Island 50 per cent of the CO₂ produced comes from space heating. With this in mind, the Department of Local Government has developed and introduced a guidance document setting certain minimum standards for the construction of residential units, and this has been endorsed by the Value for Money Committee of the Treasury. Energy efficiency is one of the key elements of the specification.

These energy-saving steps are not restricted to new buildings. The House Improvement and Energy Conservation Scheme 2000, introduced by the Department of Local Government and the Environment, provides financial assistance to encourage home owners to improve the energy efficiency of their central heating installations. DoLGE is also participating in the working group dealing with climate change, established under the auspices of the British-Irish Council Environment Sectoral Group. It is hoped that in participating in this work the department will become aware of initiatives elsewhere that can be adapted and implemented in the Island.

I think, Mr President, that covers broadly the works undertaken at the moment by the Department of Local Government and the Environment in this area.

The President: Mr Lowey.

Mr Lowey: Would the minister not agree that, however we agree with the Rio convention and we are in partnership with the UK or come under the umbrella, Island's pollution has increased and that it is less than satisfactory to say that we are experimenting with a couple of motor cars that are eco-friendly when we actually are increasing the amount of new motor cars on the Island by hundreds every year, which increases the pollution? Does she think that that is a satisfactory state of affairs that, in effect, if we take the total amount of what she has given us this morning, we would still be in a worst position than we were when the Rio convention was signed?

The President: Mrs Christian to reply.

Mrs Christian: Mr President, I do not have the information to indicate whether or not the situation overall is deteriorating, as the hon. member indicates. I understand that is the case in the United Kingdom, though I am not sure that we have available comparative statistics in the Isle of Man. The major contributor to greenhouse gases is domestic heating. Notwithstanding the increases, as the hon. member has indicated, in the car population in the Island which are contributing to greenhouse gases, the major impact I think will be made by the MEA in terms of its production of energy and, as I have indicated, the department has taken steps to try and promote more environmentally friendly domestic space heating, which is the area which contributes most to this problem.

The President: Mr Lowey.

Mr Lowey: Would the minister agree that the department with the responsibility for monitoring pollution has not even got an energy conservation officer in place at this moment in time?

Mrs Christian: Mr President, that is the case. They would certainly wish to have one. I am sure that the minister in that department would be anxious to have such an officer in post. The Manx Electricity Authority did have an officer who was dealing with energy conservation; however, they no longer, I think, employ anyone in that capacity, and I know that the Minister for the Department of Local Government and the Environment certainly believes that there should be someone in the Island with that sort of responsibility and I am quite sure that she will be pursuing the resources to establish such a post.

The President: Mr Waft.

Mr Waft: Thank you, Mr President. Minister, I understand that DoLGE will attempt to use electricity economically by the avoidance of loss of energy due to light pollution throughout the Island. In your capacity as Minister of the DHSS and in the absence of an energy conservation officer, would you look at the new hospital to ensure that there is not any light lost throughout that hospital and it does not become a beacon throughout the Island in the future?

Mrs Christian: Mr President, I would certainly take on board the comments of the hon. member. I am as opposed to light pollution as anybody else and feel that we are losing a great

benefit from our skies because of the light pollution. (**Mr Kniveton:** Hear, hear.) Not only that, it is a waste of resource, so the light arrangements at the new hospital have been designed, as I understand it, to create minimal glare but give security, and that is the balance we have been trying to find.

Low Income Earners — Schemes to Assist — Question by Mr Lowey

The President: We turn then to his second question on the order paper.

Question 2. The hon. member (Mr Lowey) to ask a member of the Treasury (Mr Radcliffe):

What steps have been taken to implement the promises given by the Treasury at budget time to 'promote with vigour' schemes to assist those on low incomes?

The President: I call on the hon. member, Mr Lowey.

Mr Lowey: Thank you, Mr President, I beg leave to ask the question standing in my name.

The President: This time I ask a member for the Treasury, Mr Radcliffe, to reply.

Mr Radcliffe: Thank you, Mr President. The Income Tax Division is actively working, as of now, to develop a tax credit system in line with the commitment given by the Treasury minister in his budget speech 2¹/₂ months ago. The Treasury has already received two technical presentations on issues and proposals relating to the introduction of tax credits. The original proposals had involved the introduction of the scheme in 2003-2004, with payments to start being made after April 2004. At the Treasury's insistence these proposals have been revised to bring the initial payment date forward to within 2003 and 2004.

There are very technically complex issues which necessarily are going to take time to be finalised, but I am satisfied that the Treasury, at both officer and political level, is promoting this matter with the greatest of vigour, as the Treasury minister indeed committed the Treasury to do in his budget speech. It is worth noting, I suppose, Mr President, that with this system, when we get it going, we are going to lead the way, because the United Kingdom system is effectively a replacement benefit system. The Treasury's proposals will be for a genuine tax credit system.

The President: Mr Lowey.

Mr Lowey: Could I just ask - forgive me if I am a little sceptical, because I seem to ask these questions for a long time: would the minister not agree that we have a minimum wage that has been introduced and we moved a reviewing body that would look at and review the system. Six months after the introduction of the minimum wage we have not even appointed a committee that will actually set up and run, and when you set up a committee you then have to take evidence. It does seem to me that I am a little sceptical when they say there are technical difficulties. Of course there are technical difficulties, but when we have got technical staff they should be able to overcome them and it should not take years, especially as we have signposted this sort of development over a very long period of time.

I am very happy to hear what the member has said, Mr President, regarding bringing it forward a year as opposed to what was actually proposed at meetings with the Treasury, but I will be back to the subject, but will he not agree with me that the evidence so far indicates long-term as opposed to what most people here in the Island would suggest is required, which is a short-term solution to this complex problem?

The President: He is happy, but I think there is a question there!

Mr Lowey: Yes, I am sure he is!

Mr Radcliffe: Yes, the hon. member is sceptical of Treasury achieving anything by the sound of it, Mr President, but I think he has got to remember that there is no guidance with a number one scheme such as we have. There is nowhere we can look to see how they work

elsewhere. We are going to have to do it all on our own and we want to ensure that it is going to be a very fair system for everybody involved. A minimum wage - that is one which is - dare I say it? - dragging on, it should not be in my opinion, but I am not the Treasury minister, Mr President, and I can just make my views known.

The President: Mr Waft.

Mr Waft: Just on the assistance of people with low incomes and the national insurance scheme and the pension scheme, it has been proved that they are not going to produce what they thought was going to be produced. What advice is Treasury going to be making available to those people starting off in life who are deemed to be on low incomes for the future? How should they invest in a pension scheme?

Mr Radcliffe: Well, Mr President, again we have not got things finalised by any means. People must and should be aware of what may or may not happen in the future for them pension-wise. Most young people are inclined to say 'Oh, that will not effect me because it is 40 years hence or whatever', but I think we have to try and instill into them a sense of looking to the future and ensuring that their pensions, by whatever means they are going to be bought, should be secure, but I do think that my hon. friend on the right from the Social Security Department has also a hand in this particular affair about pensions. We shall be doing our best and I am quite sure that the Department of Social Security will be also attempting to spread the message.

The President: Okay, Mr Waft.

Mr Waft: Would it be, perhaps, the situation that between the DHSS and Treasury they will be bringing forth a scheme that will produce a reasonable pension for those on low incomes?

Mr Radcliffe: Well, on the tax credit we are working in conjunction with Social Security. Just let one settle first before we start on the second part.

The President: We are in danger of widening the question into a pension debate, which is not, certainly, on the order paper, so we will turn to question 3.

Chief Secretary — Appointment of — Question by Mr Lowey

Question 3. The hon. member (Mr Lowey) to ask a member of the Council of Ministers (Mrs Christian):

- (a) *Who will appoint the next Chief Secretary;*
- (b) *what training courses have been available to existing chief executives;*
- (c) *have any taken advantage of these courses; and*
- (d) *is it the policy of the Council of Ministers to appoint a local to this position or to appoint the best person?*

The President: Again I call on the hon. member, Mr Lowey.

Mr Lowey: Thank you, Mr President, I beg leave to ask the question standing in my name.

The President: I ask a member of the Council of Ministers, Mrs Christian, to reply.

Mrs Christian: Mr President, the Civil Service Act provides that the Chief Secretary be appointed by the Civil Service Commission. However, the appointment requires the concurrence of the Chief Minister and before he gives his concurrence, the Chief Minister is required to consult the Lieutenant-Governor.

There is no specific training course which has been devised to equip an officer specifically to be a Chief Secretary. There are, however, a range of courses provided by the Personnel Office which seek to develop senior management skills and there is a range of other developmental courses available through the United Kingdom Civil Service College and elsewhere which

senior officers can access. The training opportunities that exist today are greatly in excess of what was available a few years ago.

In answer to part (c) of the question, the development of training in the Isle of Man public service is relatively recent, only reaching a satisfactory level in the last five to six years, and it is still progressing. Generally, the younger chief officers and the senior managers have access to and taken advantage of these training opportunities. The post is being advertised both on and off the Island with the intention that the best person available and suitable be appointed.

The President: Mr Lowey.

Mr Lowey: I thank the minister for her reply. When we appointed the present incumbent, was the post advertised and was it advertised either on the Island or off the Island or was it, as I suspect, a personal appointment by the then Chief Minister?

Mrs Christian: Mr President, I am afraid I do not have that information. The question relates to the appointment of the next Chief Secretary.

The President: Mr Lowey.

Mr Lowey: Would the minister not agree that a precedent has been set that the Chief Secretary - and I know the rôle has evolved over the years - has to have a very close working relationship with the Chief Minister and that is why he has got the veto? But would the minister not agree that if we had to have skills that are not applicable or available to people working in the Isle of Man, and especially in the Isle of Man Civil Service, there is a unified service and therefore, when you go outside, there has to be a stepping stone, a ladder for people in the service to know that they can reach the top? If we are now insisting on other requirements and otherwise, why should you have to advertise off the Island for people to fill a job which is purely a local job, which is running the civil service of the Isle of Man and being Government Secretary?

The President: Mrs Christian.

Mrs Christian: I think it is a wrong assumption to suggest, because it is advertised outside of the Isle of Man, that somehow there are new dimensions to the job description. I believe that people who work in the civil service, as he has alluded to it, in the Isle of Man already clearly have an advantage in respect of this job application because they have local knowledge and they have experience in our civil service and they have had the facility to take advantage of the training courses which are available to them. So I do not think that there is any dimension of the job which precludes current civil service applicants from being able to apply for such a post.

Mr Lowey: We shall see!

**Barclays Private Clients International Bill — First Reading Approved —
Standing Orders Suspended — Second Reading Approved — Clauses Considered —
Third Reading Approved**

The President: Right, that brings the question part of our order paper to a conclusion and we turn then to item 2 on the order paper, which is Barclays Private Clients International Bill, and it is in the hands of Mr Radcliffe, so it is for first reading.

Mr Radcliffe: Thank you, Mr President. This Bill's purpose is to carry into effect the transfer to, and the vesting in, Barclays Finance Company (Isle of Man) Limited, an Isle of Man company, vesting in the Isle of Man branch undertaking of Barclays Bank as well as to assist in the transfer to the company of the Channel Islands undertakings of the transferor company and certain of its subsidiaries incorporated there. There will be legislation introduced in the Channel Islands to facilitate the transfer of the Channel Islands undertakings to the company in the Isle of Man.

Hon. members will perhaps recall attending a seminar on April 23rd at which the reasons for presenting a petition initially for the introduction of the Bill were well rehearsed, as was the proposed content of the Bill. Hon. members were, I think, assured by the information given on that day.

When the Bill was being examined in the other place certain minor amendments were made to the printed copy which we have in front of us, but they are very minor, certainly of a minor technical nature and nothing else.

This legislation will, Mr President, I hope indicate to other financial institutions that the Isle of Man is a first rate jurisdiction from which to conduct financial activities. The Island is recognised by independent assessors as such and is certainly capable of meeting the needs of major players such as the one we have before us today.

I have a tremendous amount of detail if hon. members would wish to hear it, Mr President, but for the moment could I just beg to move that the Bill be read a first time.

The President: Mr Crowe.

Mr Crowe: I beg to second and reserve my remarks.

The President: No other member wishing to speak then, are we happy, hon. members, that the Bill be read for a first time? Those in favour please say aye; against, no. The ayes have it. The ayes have it. Mr Radcliffe.

Mr Radcliffe: Mr President, I would wish to move:

That Standing Order 22(2) be suspended to enable the second reading of this Bill to be taken.

Members: Agreed.

The President: There seems to be unanimity around the table that we suspend standing orders, but in order that it is done formally can I just simply say that are we agreed, hon. members, that we suspend standing orders to take further readings of this Bill? Those in favour please say aye; against, no. The ayes have it. The ayes have it. So we will go then straight to the second reading.

Mr Radcliffe: Thank you, Mr President. The Bill before us is to carry into effect the transfer to, and the vesting in, as I said, of Barclays Finance Company (Isle of Man) of the undertaking of part or parts of the undertaking of the Isle of Man branch of Barclays Bank PLC; to provide for the acceptance by Barclays Finance Company (Isle of Man) of the transfer to it, and vesting in it, of the undertakings of parts of the undertakings of the Jersey and Guernsey branches of Barclays Bank PLC and the undertakings of part or parts of the undertakings of each of Barclays Bank Finance Company (Jersey) Limited, Barclays Finance Company (Guernsey) Limited and Woolwich (Guernsey) Limited, and for other connected purposes.

Mr President, this Bill was well received in the other place. In fact, I do not think there were any comments of a derogatory nature or anything else, and I beg to move, sir, the Bill be read a second time.

The President: Mr Crowe.

Mr Crowe: I beg to second and reserve my remarks.

The President: Mr Lowey.

Mr Lowey: Can I just say, Mr President, I am very happy to support this particular Bill. I know the Isle of Man has got a triple rating, a triple A or something, as a finance centre; I think this Bill has a triple A title to it because I think it is good for the bank, I think it is good for their customers and it is good for the Isle of Man and the employees in the Isle of Man, and the bank,

in giving evidence to us at that seminar, had obviously taken account of previous banking Bills. I think the Bill had been well drafted and I have no hesitation in supporting the suspension of standing orders and to support its second reading.

The President: Dr Mann.

Dr Mann: Yes, Mr President, firstly I welcome this and certainly support it. I can recall having taken through the original Barclays PLC Bill way back in the 1980s, and it is very encouraging to see how banks here have developed in the space of time since then.

I just have one observation, which actually does not relate directly to this Bill and is something I think the Treasury and certainly the Financial Supervision Commission ought to have thoughts on: these Bills, as they are coming forward, are representing a consolidation of one type or another and the number of individual finance companies is actually reducing, and therefore you have got larger and larger players. The Investor Protection Scheme, of course, was based on individual companies and, with consolidation, your actual investor protection becomes less because each protection relates to a deposit in a company. Now, it is unkind of me, really, to mention it in this particular area, but here we are seeing a similar situation, but it has also occurred with other banks who have consolidated, and not only is the total protection in terms of the amount of money being eroded over the years by inflation, but of course with consolidation you are also reducing the number of companies it actually applies to and perhaps, if this consolidation is going to continue, the Treasury ought to have some thoughts. Now, I know the mover has quite reasonably and quite correctly said that we are now having big solid companies who are going to enhance our finance centre and that is very true, but one always has to keep an eye on the opposite situation, and perhaps the Treasury could be mindful of considering that matter.

The President: Mr Kniveton.

Mr Kniveton: Mr President, Dr Mann has just spoken about the years 1980s and the Barclays Bank Bill at that time, and in a moment or so I will probably go one a little better than that, but today I like the situation rather to the two previous Bills, perhaps not quite exactly but similar, the Lloyds TSB Bill, which brought the merger of the two banks, and also the Royal Bank of Scotland Bill, which brought together the Royal Bank of Scotland and my old friends the NatWest Offshore.

Now, when I am given to understand that the acceptance of the Bill as such will make the staff situation in Barclays in the region of 1,000 or so, then that must be a wonderful situation for employment in the Isle of Man and of course for the economy of the Island. When I said my old friends NatWest, without trying to make myself a bore, sir, but just to emphasise the employment situation, I was an employee of the Westminster Bank in the 1950s, 30 years before the time Dr Mann was referring to. That, of course, later became NatWest so I am not going to give my age away, but I remember well in those days, and if I may just go to them, I was a junior clerk at Westminster Bank, 1 Prospect Hill, Douglas. There were 14 of us on the staff and I was the junior. We were the largest bank, or UK Bank branch, on the Island or in Douglas, and we were open 10 a.m. to 3 p.m. during the day, and I was the guy who opened the door at 10 o'clock and then I proceeded down Victoria Street where I visited all the other banks dispersing the clearing of the previous day of all the cheques. I visited Lloyds first of all, and they had a staff of eight. I then went to Martins and they were nearly as big as Westminster in those days; they had 12. Then I went across the road to Barclays, and they had a staff of five - just five in those days. If you remember, Barclays was between the now Tarleton Hodgson and the Victoria Street Methodist Church. So altogether, if my memory serves me correctly, the UK banks employed about 39 persons in Douglas. So, yes, Barclays had five only in those days but now intend to employ 1,000 or so.

That is practically unbelievable, hon. members, and certainly shows what the finance sector has done for this Island. What it has done I am sure I do not have to explain any further and, by this move, Barclays are acknowledging amongst many things that the Island has the legislative framework to prove that we can accommodate the commercial needs of the finance sector and this will make the effects of moving, as the hon. mover said, the international headquarters of Barclays to our Island by the reorganisation of the Isle of Man and Channel Islands operation of Barclays and its various subsidiaries.

Mr President, I have no hesitation in supporting the Bill and I urge other members to do so. Thank you.

The President: Mr Waft.

Mr Waft: I too intend to support the Bill wholeheartedly. There are just a couple of items I need clarifying?? with regard to the investors' protection indemnity on the Isle of Man which is somewhat different to Jersey and Guernsey. I presume they will come under that scheme when the whole move takes place, and the legislation which has to ensue in the other islands - that will be forthcoming, I presume? Thank you. Mr President.

The President: Mrs Christian.

Mrs Christian: Mr President, yes, I think this has to be welcomed, to see movement towards the Island rather than movement out of the Island in respect of an international bank of this stature.

With regard to the comments of the hon. member for Council in relation to staffing, what I find beneficial in this move is that it does not mean necessarily that huge numbers of staff will have to come to the Isle of Man.

Mr Kniveton: Yes.

Mrs Christian: What it may mean is that there will be some high quality jobs there for a limited number of people at this point, which is after all what we are seeking to do at this time, without putting pressure on our infrastructure and provision of the services. So that is one feature of this particular move that I think also needs to be welcomed.

The President: Mr Radcliffe, would you care to reply, sir?

Mr Radcliffe: Thank you, Mr President. I am grateful to members for their support for the Bill. If I could just say to the hon. member, Dr Mann, that the Financial Supervision Commission have supported and do support this particular amalgamation. They have no qualms about it whatsoever - according to the letters that I have seen, anyway.

Investor protection - a few members have mentioned that. That is dealt with in the Bill; I just forget which number clause, but we will come to it. And the protection scheme is still going to be in place.

I do take on board the comments of Dr Mann about time and value for money and so on. Treasury, I think, will be having a look at the terms of the scheme which is - how many years old now? Fifteen years old, probably, and perhaps it is time to update certain of the monetary figures incorporated in it.

I am grateful to the hon. member, Mr Kniveton, for his support. He has illustrated well how the banking sector has grown in the Isle of Man.

The hon. member, Mr Waft, has mentioned the protection scheme.

Mrs Christian has again stressed a point and made clear that whatever extra staff there will be, will be the top side, not the clerical sides, and so on. In fact, it is good to be able to acknowledge that the movers and shakers will be on the Isle of Man, and not off the Isle of Man

and also interesting to note, I think, that the decision which was made to move here was taken in London, not in Jersey or Guernsey or the Isle of Man; in fact, their managers had no input whatsoever. They looked at it coldly in Barclays in London and decided the Isle of Man was the place, and I think that is certainly a feather in our cap anyway - (*Interjection by Mr Lowey*) and, of course, the staff; well, we know that they are quality anyway. I beg to move, sir, that the Bill be read a second time.

The President: Hon. members, the motion I put to you is that the Barclays Private Clients International Bill 2002 be read for a second time. Those in favour please say aye; against, no. The ayes have it. The ayes have it. Taking clauses then, hon. members, I understand Mr Radcliffe will take clauses 1 and 2, sir.

Mr Radcliffe: Thank you, Mr President. Clause 1 is the short title of the Bill and specifies that they will be known as the Barclays Private Clients International Act 2002.

Clause 2 deals with interpretation and certain defined terms which are used throughout the Bill. The purpose of providing such definitions is to avoid complicated explanations appearing throughout the text of the Bill and I beg to move, sir, that clauses 1 and 2 stand part of the Bill.

Mr Crowe: I beg to second and reserve my remarks.

The President: Mr Lowey.

Mr Lowey: Could I just say that I notice in this Bill that normally when we do legislation the short title comes at the end of the Bill, but in most of the private members' Bills they come at the beginning of the Bill. Now I know there must be technical reasons why this happens totally contrary; what I am trying to do in raising the matter is draw attention that when lay people come to interpret law they should really have a formula that they know is an imprint on all Manx statute, so they know where the short title is, they know where main clauses are, and if we are going to introduce a different formula - and it is not on substance here but it is only on mechanics - I think it is an important one. Perhaps the Attorney can tell me why it is that private bills are the reverse, the mirror image of what I would call government Bills. I think it is an important part that needs to be mentioned here at this particular time.

The President: Mrs Christian.

Mrs Christian: I have a similar point: it is not in relation to the short title or the interpretation as are dealt with in the two clauses that the hon. member has moved, but in terms of the preamble which is fairly extensive and presumably becomes a part of the legislation? Again, perhaps the mover or the mover with the advice of the learned Attorney could advise members whether or not, whilst it does simply seem to state facts, it needs any consideration by this chamber.

Mr Crowe: Mr President, having read it, I think really it has to set the scene and, going on to Mr Lowey's question, I think really, because it is a private Bill and not a government Bill, the title would have to be at the beginning in case it fell at the first hurdle; that was my understanding of it. So once it gets over the first hurdle then the name - that is purely a . . .

The President: Mr Radcliffe, would you like Mr Attorney to comment?

Mr Radcliffe: I would be grateful for any comments Mr Attorney would care to make.

The Attorney-General: Yes, I was rather afraid the hon. member would say that! (*Laughter*) Mr President, yes, as it has been pointed out, this Bill has been drafted not by chambers but by a very experienced and excellent firm of advocates with the assistance of the legislative draftsman. I think that, as is so often the case in the private sector, if you have succeeded with a precedent and it has gained acceptance in relation to transfers of undertakings in the banking

world, you tend to use the same precedent, and it is, I think, a tried and tested precedent, as hon. members will be aware, and has been used in previous cases.

My own view, for what it is worth, is the recitals at the beginning of the Bill are rather useful and set the scene and give a summary of the intention of the legislation. I think, Mr President, that there is no harm done, if I might put it that way, in having the short title up front, and I am sure that if hon. members of Tynwald wished to have the short title being put at the prominent part of the Bill in clause 1, that could be done. I think this is a very special form used by the private sector for all banking transactions, and I am afraid that is as much as I can say.

The President: Mr Lowey.

Mr Lowey: Could I just tease that out just a little bit, Mr President, in that it is not so much for us as legislators and it is not so much for the lawyers who will interpret this particular piece of legislation, but it is for people outside who we are legislating for. If somebody was to say, 'Well, I have got a problem with Barclays Private Clients International Bill,' you would tell them to go to the library, get a copy of the Bill and then they would have to plough through it, and I would say to them, 'Oh, well, the first clause is the most important clause.' In this one it is the short title. Most of us who have been here a while. . . and I can remember being taught by a former learned Attorney who always said to me that the most important clause in a Bill is the first clause - this is government Bills, of course - and therefore I would say to anybody, 'If you are interpreting the Bill look at the first clause.' Now, in this case, with great respect, it may be a tried and tested formula for the practitioners of the art but not for the people who it will, at the end of the day, affect, and that is the only point I am raising. As I said, nothing wrong with the substance, but it is the mechanics of the thing that excite me at this particular time, but I am happy with the answer that I have received.

The President: I think the point is made, so we will ask Mr Radcliffe to reply to the discussion on clauses 1 and 2.

Mr Radcliffe: Well, I do not think there is much to reply to, Mr President, quite frankly. Hon. members have made their comments; the learned Attorney - thank goodness! - has answered them. I do not think there is anything to add, quite frankly. I appreciate the concerns of the hon. member, Mr Lowey, but in all these banking Bills, as the Attorney has said, the short title is in the first or second clause, so that is their way of drafting it. If they are looking at a banking Bill, look for the short title at the start of the thing, not at the end of it. I beg to move, sir, that the clauses stand part of the Bill.

The President: Hon. members, the motion I put is that clauses 1 and 2, the short title and interpretation clauses, be approved. Those in favour please say aye; against, no. The ayes have it. The ayes have it. Clause 3, Mr Radcliffe.

Mr Radcliffe: Clause 3, thank you, sir, deals with appointed days. This section provides that the day or days on which the undertaking or any specified part of that undertaking of the Isle of Man branch of the transferor company is to be transferred to and vested in the company are to be appointed by a decision of the transferor company. This provision is to enable flexibility as to the timing of the transfer of each appointed undertaking and allows the process to be completed in stages.

In previous legislation of this kind the authority is vested in the Council of Ministers. Because it may prove necessary to effect the transfer process in a number of stages owing to the value of the undertaking, the relative complexity of the corporate structure and the timing of the transfer of the undertakings across the Crown dependencies, this mechanism is considered to be the most efficient method of effecting the transfers. The mechanism is the same as that which is proposed by Barclays in relation to the United Kingdom legislation, which will facilitate the Barclays-Woolwich merger.

I would add that the Act will only become operationally effective in relation to transfer of undertakings on the day determined by the transferor company, and different days may be appointed for different undertakings or parts of undertakings. The first of such days will not be before the company has been licensed to conduct banking business in each of the Channel Islands and the detailed regulatory issues have been confirmed and approved by the Manx Financial Supervision Commission, so the FSC is involved all the way. Advertising will be required in the local press and at the local branch of the transferor company and the registered office of the transferor company before the relevant appointed day. I beg to move, sir, that clause 3, dealing with appointed days stand part of the Bill.

The President: Mr Crowe.

Mr Crowe: I beg to second and reserve my remarks.

The President: Mrs Christian.

Mrs Christian: Yes, Mr President, we are conscious, although the mover has not mentioned it this morning, that the Barclays organisation is anxious to have this legislation progressed fairly rapidly because of our own legislative programme timetable. I am interested, though, in clause 3(1)(b) where it gives a period of five years within which the directors must act in respect of the provisions of the Act. It seems to me quite a long period of time. I do not know whether it is within the knowledge of the mover as to whether or not they really think it is going to take five years for them to transfer all the businesses or whether this is a fairly wide margin of safety from their business perspective.

The President: Mr Lowey.

Mr Lowey: The only query I have is: I had a question down as to how it is going to be known publicly. Well, the mover has answered it, but it says it will be posted in the paper and it will be posted in the offices, but is there a specific time? Is it a fortnight before it actually comes into being - in other words, it cannot be produced on the Friday *Independent* and said it will be done on the Friday. Is there a time limit of which it would give prior notice?

The President: Fourteen days and seven days.

Mr Lowey: It is in the Bill? That is okay, that is fine.

The President: Fourteen days for public notices, seven days for newspapers.

Mr Lowey: That is fine.

The President: Mr Radcliffe.

Mr Radcliffe: Thank you, Mr President. The hon. member Mrs Christian has raised the question of this five-year period. That is purely a safety measure, I think, in case they run into problems somewhere along the way so that the Bill is not going to force them into a corner somewhere within the first 12 months or whatever. I think this is a useful stop-gap for them. I beg to move, sir, that clause 3 stand part of the Bill.

The President: Hon. members, the motion I put is that clause 3 do stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it. Clause 4.

Mr Radcliffe: Thank you, Mr President. Clause 4 deals with the vesting of appointed undertakings in the company. This provides that the appointed undertaking will be transferred to the company on the relevant appointed day. That was clause 4(1). Clause 4(2) provides that the transferor company will assist the company in securing the transfer of the appointed undertakings to it where this may prove necessary. In other words, they are not going to stand up and say 'Well, I am not going to help you by one bit.' They are going to have to under the terms of the Bill. Mr President, I beg to move that clause 4 stand part of the Bill, sir.

The President: Mr Crowe.

Mr Crowe: I beg to second and reserve my remarks.

The President: Hon. members, the motion I put, then, is that clause 4 do stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it. Clause 5.

Mr Radcliffe: Clause 5, thank you, Mr President, deals with provisions as to trust property and wills. This Clause 5(1) provides that any property which is transferred to the company which was previously held by the transferor company, either a loan or jointly as trustee, will be transferred only to the extent required to ensure that the company will continue to be interested in the property in the same capacity as the transferor company. This is necessary as it is not possible to transfer an interest in property other than interest already held by the transferor company.

Clause 5(2) provides the references to the transferor company in any court order or document relating to trust property are from an appointed day to be construed as references to the company.

Clause 5(3) deals with wills in a manner similar to that in which other trust property is dealt with in the preceding subsections. This subsection extends the Act to include wills made prior to the appointed day where reference is made to the transferor company as executor trustee or recipient of the property. In such a case the company is substituted in place of the transferor company.

Clause 5(4) - it is worth noting that both clause 5(2) and clause 5(3) exclude references to the scale of fees of the transferor company, and this is to ensure that, where as a result of the operation of these provisions the company becomes entitled to collect fees for trustee services et cetera previously provided by the transferor company is only entitled to charge the same fees as were charged by the transferor company. However, clause 5(4) makes it clear that if the transferor company was entitled to vary the fees payable or any other terms or conditions, the company will also succeed to that right on the relevant appointed day.

Clause 5(5) provides that no gift made under a will shall be set aside by reason of operation of this Act.

Mr President, I beg to move that clause 5 stand part of the Bill, sir.

The President: Mr Crowe.

Mr Crowe: I beg to second and reserve my remarks, Mr President.

The President: Mr Lowey.

Mr Lowey: Could I thank the hon. member, Mr President, for giving me a new word for my dictionary, which is 'addeemed.' I have never seen that in a Bill ever in my history. He has explained what it means to me, because if I read that clause, 'No testamentary gift shall be addeemed by reason only of the operation of any of the provisions of this Act', again I come back to the point I made in my opening remarks about this Bill being read by a member of the public, and I would find it very hard for an ordinary member of the public to understand what that particular clause meant. But, in the words of the mover of the Bill, he has explained it much more succinctly and I would make a plea, even to private people who draw up Bills, that they should use language that the ordinary member of the public would be able to understand what it is about, because I did not know what 'addeemed' was and I asked every other member of this Council did they know what 'addeemed' meant?

A Member: Oh, yes!

Mr Lowey: You use it every day before breakfast - I do not!

Mr Crowe: If we did not have legalese we would not need lawyers! (*Laughter*)

The President: Hon. members, the motion I put to you is that clause 5 do stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Now, Mr Radcliffe, we will take clause 6, and I think we have a note here that amendments were made in the other place.

Mr Radcliffe: Clause 6, supplementary provisions as to the transfer and vesting. Clause 6 generally is intended to provide supplementary provisions by which the transfer to and vesting in the company of an appointed undertaking of the transferor company will be effected. Under the terms of section (4) it is provided that the entire appointed undertaking of the transferor company will be transferred. However, in order to avoid uncertainty as to the operation of the Act to a specific transaction, this clause 6 adds more detailed provisions.

Clause 6(1) is merely an introductory provision, Mr President, and clause 6(2) provides that every contract which is in existence as at an appointed day and to which the transferor company is a party will be deemed, with effect from the appointed day, to be a contract to which the company is a party instead of the transferor company.

Clause 6(3) extends the scope to the Act so that any reference to the transferor company will be deemed to be a reference to the company after an appointed day where such reference appears in any statute or any existing contract to which the existing companies are not a party.

Clause 6(4) supplements subsection 6(3) whereas clause 6(3); deals with statutes and contracts, this provision in clause 6(4) makes it clear that references in any other document to the transferor company shall, after the relevant appointed day, be deemed to be references to the company, and contracts and wills are excluded from the operation of this subsection. Contracts are dealt with in subsections 6(2) and 6(3); wills are dealt with in section (5).

Clause 6(5) excludes the operation of 6(2)(b) relating to the substitution of references from documents concerning scales of fees and charges, and terms and conditions. This is to ensure that, whereas as a result of the operation of these provisions the company becomes entitled, for example, to collect fees previously collected by the transferor company under a contract et cetera, it is only entitled to charge the same fees as were charged by the transferor company. Provision is made, though, for the company subsequently to insert its own name in any such scale of fees et cetera in the interest of clarity. That is so that when the company takes over from the transferor company they cannot immediately jack prices up all round.

Clause 6(6) provision makes clear that any offer or invitation made by the transferor company is, from and after an appointed day, to be treated as an offer of invitation made by the company.

Clause 6(7) relates to accounts between a customer and the transferor company. It provides that any such account will immediately become an account with the company on the same conditions as the account previously on the books of the transferor company. Any such account is deemed to be a single continuing account.

Clause 6(8) makes it clear that the preceding subsections do not affect any right of the transferor company, the company or the relevant customer to vary the terms on which an account is kept.

Clause 6(9) indicates that after an appointed day the company will have the same right of variation et cetera in relation to fees and charges as were enjoyed by the transferor company before the appointed day.

Clause 6(10) provides that any instructions, order, direction, power of attorney et cetera given to the transferor company will be deemed to be an instruction, order, direction, power of attorney et cetera given to the company with effect from an appointed day.

Clause 6(11). Under this section any negotiable instrument or order for payment of money which is drawn on or given to or accepted or endorsed by the transferor company will, from an appointed day, be deemed to be a negotiable instrument et cetera drawn on, given to, or accepted by the company.

Clause 6(12) provision makes it manifest that claims and demands addressed to an existing company after an appointed day are to be treated as having been addressed to the company. Therefore there will be no need for the addressor to make an additional claim or demand on the company as well.

Clause 6(13) provides that any documents, records or goods held by the transferor company as bailee will, from an appointed day, be held by the company in the same capacity and on the same terms as the transferor company.

Clause 6(14) relates to security interests and serves to transfer such interests from the transferor company to the company from an appointed day. It provides that any security comprised in an appointed undertaking held immediately before an appointed day by the transferor company will become a security of the company for the payment or the discharge of the relevant liability.

Clause 6(15) is supplemental to the preceding subsection. It provides that, in relation to a security interest such as a mortgage that is transferred to it under the Act, the company will be entitled to enjoy no more and no less than those rights and obligations originally enjoyed by the transferor company.

Clause 6(16) provides that any liability between the transferor company and the company will continue, notwithstanding the terms of this Act.

Clause 6(17) extends the foregoing provisions to include any security relating to future advances or liabilities.

Clause 6(18) provides that any property or liability of the transferor company will become the property and liability of the company to the intent that any third party will continue to have the same right to powers and remedies against the company as would have been available against the original party - I could go on for ever, Mr President!

Clause 6(19) relates to rights of action and remedies that become enforceable against the company as a result of sub-clause (18) on or after the appointed day. It provides that such rights of action and remedies are thenceforth enforceable against the company.

Clause 6(20) makes it clear that any proceedings for the resolution of a dispute such as court actions by or against the transferor company that are pending or current immediately before an appointed day are thenceforth to be continued by or against the company.

Clause 6(21) provides that a company is substituted in any judgment or award obtained by or against the transferor company relating to an appointed undertaking, and that is fully satisfied prior to an appointed day.

Clause 6(22)(a) makes it clear that the company has the benefit, but is subject to all the obligations of the transferor company in relation to data which is subject to the Data Protection Act of 1986.

Clause 6(22)(b) confirms that the company will, on an appointed day, become the data user of any data comprised in the appointed undertaking to be transferred in place of the transferor company.

Clause 6(22)(c) makes it clear that the company will be under the same duty as to the confidentiality and privacy of any person as the transferor company and is bound to comply with any specific notice or request given by the data subject which is binding on the transferor company not to use data for marketing purposes.

Finally, Mr President, clause 6(23) makes it clear that any consent given by a data subject to the transferor company or any subsidiary or holding company of the transferor company or subsidiary of the holding company is deemed to include a reference to the company, a subsidiary to the company, any holding company of the company or subsidiary of the holding company. I beg to move, sir, that clause 6 in all its entirety stand part of the Bill.

The President: Mr Crowe.

Mr Crowe: I beg to second and reserve my remarks, Mr President.

The President: Mrs Christian.

Mrs Christian: Just a comment, Mr President. A simple idea in terms of transferring one business from one place to another, when reduced to statutory form, should require all this dotting of i's and crossing of t's and what-ifs and maybes, but it is necessary, I am quite sure. I just hope they have got them all in there!

The President: Mr Waft.

Mr Waft: I think, Mr President, it is an all-embracing clause and it certainly covers all the items that I was concerned about: contracts, wills, charges, tariffs, scales of fees et cetera. That has been taken care of within this clause, and I have no further comment deemed to be relevant to this clause. *(Laughter)*

The President: Yes, Mr Radcliffe, as no other member wishes to comment, could I just comment on (19) then, sir, because I am aware that there was an alteration made in another place, and whilst I accept that all the transfer is there and the rights are governed and the liabilities are governed, could you give an explanation as to why the Keys saw fit to take out lines 36 to 40, sir?

Mr Radcliffe: Mr President, I am afraid that I am unable to give you that information at this moment. It was a technical amendment, anyway, I think, which was moved by a member of the Keys on behalf of the mover of the Bill, really, from what I can understand of it.

The President: Perhaps, Mr Radcliffe, I could help. Maybe Mr Attorney would give us a ruling as to why they have seen fit to delete 'any legal proceedings, applications before the appointed day by or against the transferor which relate to the appointed undertaking may be continued by or against the company'?

The Attorney-General: Yes, Mr President, I am not aware of the precise reason that was given in the other place, but it seems to me that the provisions which have been deleted at lines 36 to 40, page 12 of our Bill, are actually replicated in the succeeding sub-clause.

The President: That is right, yes. I think they are.

The Attorney-General: So I think it would be because it was spotted that those words were superfluous.

The President: Okay, I appreciate that, but it is in a separate sub-clause, so I wondered as to why. Okay. Mr Radcliffe, are you content to move clause 6?

Mr Radcliffe: I am content to move clause 6.

The President: In that case, hon. members, I put to you as the substantive motion clause 6. There is a difference from the printed Bill, the green paper, in so far as on page 8, line 37, for (4) is substituted (5) and in page 11, line 9, for 'any' replace 'a' and, as I have already indicated,

on page 12, line 36, delete from and including 'any legal proceedings' to the end of that particular sub-clause. With those amendments, which have been handed down from the House of Keys, hon. members, I put to you that clause 6 stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Clause 7, Mr Radcliffe.

Mr Radcliffe: Thank you, Mr President. Clause 7 deals with contracts of employment et cetera. This clause makes it clear that contracts of employment with the transferor company that are governed by Isle of Man law or the performance of which substantially takes place in the Isle of Man are to be transferred to the company and to be treated as the same contracts when transferred to that company. The Isle of Man branch employees of the transferor company will become employees of the company on the relevant appointed day, but the employees' terms and conditions of employment will not be prejudiced by this act.

Clause 7(2) provides that the individuals who hold offices in the transferor company will not automatically hold the same offices, such as a directorship of the company. Such directors and office-holders must be appointed in accordance with the company's constitution and having regard to Isle of Man regulatory requirements.

I beg to move, sir, that clause 7 stand part of the Bill.

Mr Crowe: I beg to second and reserve my remarks.

The President: Mr Waft.

Mr Waft: I take it this clause covers the right to redundancy and similar legal issues on behalf of the appointment of all?

The President: Mr Radcliffe.

Mr Radcliffe: Yes, contracts of employment and so on which are governed by Isle of Man law or are performances which substantially take place in the Isle of Man will be no worse than they are now for the employees. That is for sure.

The President: Hon. members, the motion I put is that clause 7 do stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Clause 8, Mr Radcliffe.

Mr Radcliffe: Clause 8, Mr President, deals with retirement benefits schemes et cetera. This clause provides that if, by reason of the laws of the United Kingdom, for instance, the company will not be able to provide any benefits previously provided to employees by the transferor company, then the company must provide benefits of equivalent value to the affected employees. This section is particularly aimed at retirement benefit schemes. It is likely that once employees of the Isle of Man branch of the transferor company become employees of the company they will no longer be eligible for membership of any UK approved pension scheme operated by the transferor company. In order to safeguard the position of employees affected by this, clause 8 imposes an obligation on the company to provide benefits of equivalent value. I think this is a very good clause.

I beg to move, sir, that clause 8 stand part of the Bill.

The President: Mr Crowe.

Mr Crowe: I beg to second, Mr President, and reserve my remarks.

The President: The motion, hon. members, is that clause 8 do stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Clause 9, Mr Radcliffe.

Mr Radcliffe: Thank you. Clause 9, evidence of transfer and vesting.

Clause 9(1) provides that a production of a copy of the Act printed by authority or a copy thereof, together with a copy of the minutes appointing the relevant appointed undertaking, will for all purposes be conclusive evidence of the transfer of property and liabilities comprised in an appointed undertaking from the transferor company to the company.

Clause 9(2) provides that the Act will serve to operate as a stock transfer in respect of transfer of securities to the company under the Stock Transfer Act of 1965.

Clause 9(3) provides protection for persons dealing with either the company or the transferor company in relation to property forming part of an appointed undertaking. In these circumstances the third party does not need to investigate whether or not the property was actually transferred to the company.

Clause 9(4) provides that a certificate given by the company will act as conclusive evidence for the purposes of certifying whether an asset or liability has been or will be transferred by virtue of the Act.

Clause 9(5) provides that the provisions relating to the transfer and evidence cannot serve to avoid any liability of the company or the transferor company.

I beg to move, sir, that clause 9 stand part of the Bill.

The President: Mr Crowe.

Mr Crowe: I beg to second and reserve my remarks.

The President: The motion, hon. members, is that clause 9 stands part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Perhaps we could take 10 and 11, Mr Radcliffe?

Mr Radcliffe: Thank you, Mr President. Clause 10 deals with evidence and documents et cetera. This section provides that all books and documents which before an appointed day would have been evidenced in respect of any matter for or against of the transferor company will be admissible in evidence in respect of the same matter for or against the company.

Clause 11, Application of Bankers' Books Evidence Act of 1935, provides that any bankers' books maintained by the transferor company prior to an appointed day will be transferred to and vested in the company and that entries in such books will be deemed to have been entries from the books of the company.

I beg to move, sir, that clauses 10 and 11 stand part of the Bill.

The President: Mr Crowe.

Mr Crowe: I beg to second and reserve my remarks.

The President: Hon. members, I then put to you the motion that 10 and 11 stand part of the Bill, and we are noting that in clause 10 there has been an amendment made in another place: page 16, line 3, insert the words 'in relation to the appointed undertaking' after the words 'transferor company'. So noting that amendment, hon. members, which is a variation to the green Bill, those in favour of clauses 10 and 11 being part of the Bill please say aye; against, no. The ayes have it. The ayes have it.

Clause 12.

Mr Radcliffe: Thank you, Mr President, clause 12 deals with savings in respect of transfer and vesting of property.

Clause 12(1) makes it clear for the avoidance of doubt that the Act will not operate so as to prejudice or otherwise affect any contract, security or interest in land held by the transferor company and transferred to the company. It also provides that the Act will not result in further security registrations being required, constitute a breach of any obligation or allow the termination by any party of any contract which the party would not otherwise have been able to terminate. The purpose of this sub-clause is to ensure that any persons who dealt with the transferor company will be in no better or worse position after an appointed day than they were before the appointed day.

Clause 12(2): provision extends most of section one to subsidiaries of the transferor company and the company.

Mr President, I beg to move that clause 12 stand part of the Bill.

The President: Mr Crowe.

Mr Crowe: I beg to second and reserve my remarks, Mr President.

The President: The motion, hon. members, is that clause 12 stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Perhaps we could take 13, 14 and 15, Mr Radcliffe?

Mr Radcliffe: I am obliged, Mr President. Clause 13 makes it clear for the avoidance of doubt that the transferor company and the company will still be subject to banking and similar legislation relating to their businesses.

Clause 14 deals with the vesting of Channel Islands undertakings, and this clause seeks to be confirmatory to the extent required of the transfer to the company of the Channel Islands undertakings affected by virtue of the analogous legislation to be enacted in Jersey and Guernsey. The timing for the entry into operation of the Channel Islands legislation is expected to be co-ordinated with the appointed days made under this Act.

Clause 15, costs of the Act - and this is not unimportant. This confirms that the costs and expenses involved with this Act will be paid for by the company.

I beg to move, sir, that clauses 13 to 15 inclusive stand part of the Bill.

Mr Crowe: Mr President, I beg to second and reserve my remarks.

The President: Yes, Mrs Christian.

Mrs Christian: Mr President, a small point: in relation to the costs of the Act, can we assume that, for example, actions taken by the legislature will be funded in terms of the printing of the green Bill, circulating information to the public and so on are met by the company?

Mr Radcliffe: I can give the hon. member that assurance, that all costs incurred in dealing with this Bill are paid for by the company.

The President: Well, just so that we are correct and absolutely right here, Mr Radcliffe, you say it shall be paid for by the company, but I have an amendment which has been made in another place in relation to clause 15 which says 'shall be paid by the transferor company'. Now, there is a material difference, and I think we need to be sure which is correct. Mr Radcliffe?

Mr Radcliffe: The fact still remains that the transferor company - one of them is going to pay for everything to do with this Bill, Mr President.

The President: Yes. Right, well, hon. members -

Mr Radcliffe: Well, that was the amendment that was moved in the other place anyway, sir.

The President: Yes. Hon. members, the motion I put to you then is that clauses 13 and 14 do stand part of the Bill. Those in favour please say aye; against, no.

Then, hon. members, I will put to you clause 15, acknowledging that on page 17, line 41, we are inserting the word 'transferor' before the word 'company' which has been done in another place. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Now, that brings the clauses part of the Barclays Private Clients International Bill 2002 to its completion. Mr Radcliffe.

Mr Radcliffe: Mr President, sir, I would wish to move the suspension again of the appropriate standing order to enable this Bill to be finalised in Council here this morning. There are good reasons, not the least of which is gaining Royal Assent with the timetable that is before us. Barclays have advised their legal representative in the Isle of Man that they are more than impressed with the way the legislature here have handled the Bill and are quite congratulatory on how the Isle of Man has been able to accommodate their desires. Perhaps they have not got all they wished for, but certainly the legislation is in place and agreed, and they do desire to bring this about, I would suggest, before we sit again in October, Mr President, and the first moves will certainly be made before then. It is essential of course to have Royal Assent before then and I would beg to move, sir:

That standing order 22(2) be suspended to enable the third reading of this Bill to be taken.

The President: Mr Crowe.

Mr Crowe: I beg to second that.

The President: Mrs Christian.

Mrs Christian: Mr President, I just wonder if the mover could indicate: whilst I understand that the requirement in the eyes of the company to get Royal Assent at the earliest opportunity and not have to wait until October and so on, the whole of the move also depends on enactments in other places. I wonder if the hon. mover, given that we are being asked to suspend our standing orders for a second time today, can indicate that it is absolutely necessary and that indeed the enactments in another place are likely to be taking place on a similar sort of timetable, or are we being rushed where we are going to have to wait then for other people to enact legislation in other jurisdictions?

The President: Mr Lowey.

Mr Lowey: Could I just say, I shall be supporting the suspension of standing orders for the second time today, primarily because I think the company has given wide publicity to this Bill in the media, on radio. The comments and feedback that I have had have been of a positive nature and, as we said before, all of us round this table agree that we would like to see it transferred.

I think Mrs Christian's point is a valid one. It would seem premature for us to put everything in place to discover six months down the line that other jurisdictions are held up, but I think the reverse of that would be that at least we have done our side of the bargain and have got the thing on the statute in the most practical and reasonable way. I do think that the saving grace is that we have given it wide publicity. There have been no adverse comments and therefore I think it is justifiable in this case, in practical terms to have this thing on the statute book, and that is why I will be supporting the suspension of standing orders.

The President: Mr Waft.

Mr Waft: Yes, Mr President. I think we need to be seen to be having the ability to act speedily when necessary and, where it is necessary to go to select committees or committees, that can be taken up on its merits, but I think in this case, a case has been given for speedy

action and perhaps the fast track route and we are able to perform that when necessary. There has been very little discussion on the items within this Bill and I do not see any big problems from any source at the moment. I will be supporting the suspension.

The President: Mr Crowe.

Mr Crowe: I think the key to this is having our legislation in place before we can embrace the other companies in the other islands, so this is a fundamental issue, the key to the whole thing. I think Jersey and Guernsey have a different legislative timetable: they do not have the summer recess as we have; I think they continue, so I think it allows us to at least get everything in place and they can continue in parallel.

The President: Mr Radcliffe, would you care to reply?

Mr Radcliffe: Well, again I am grateful to hon. members for their support. I think that the Channel Islands will move forward with the necessary legislation in time for this to take place within the timetable suggested. I have had no reports from either of the Channel Islands that they are contemplating holding back on this particular one. They are less than happy, of course, with the move, but they have to acknowledge that we have moved to assist them on at least two occasions for main activities to move from the Isle of Man to the Channel Islands, and I think there is such a word as reciprocity and I would not be too fearful that they will deliberately hold things back on this particular one. So with that, sir, I would beg to move suspension of the appropriate standing order.

The President: Hon. members, so that it is clear, those in favour of suspending standing orders that we may take the third reading this morning, please say aye; against, no. The ayes have it. The ayes have it.

So we will take the third reading and I call on Mr Radcliffe to so move.

Mr Radcliffe: Thank you, Mr President. I will be fairly brief, but I would just reiterate once again that the Bill is to allow for the reorganisation of the Isle of Man and Channel Islands operations of Barclays Bank PLC and its subsidiaries. The reorganisation will result in a Manx company currently named Barclays Finance Company (Isle of Man) Limited, but to be renamed Barclays Private Clients International Limited, becoming the main operational entity for Barclays across the Crown dependencies with 'branches' - and this is the word that comes very readily and happily to mind - of the Manx company being located in Jersey and Guernsey.

The reorganisation will involve more mind and management being devolved from London and located in the Isle of Man, so the movers and shakers are going to be here on the Island, which is another very good thing, and this will be achieved by an Isle of Man board of directors responsible for the whole of the business conducted across the Crown dependencies.

So it is a positive development for the Isle of Man and the kind of development which I am sure that hon. members here will agree we have worked long and hard enough to achieve. It is interesting to note that one or two other major players are showing an interest in the Isle of Man, with Barclays now having stated that they are going to move their headquarters here, and there have been certain enquiries made from one or two other principal players, so this could be, I hope, the forerunner of good things to come.

As a result of the organisation the Manx company and its offshore branches will have customer deposits of some £13 billion and there will be at least 1,000 employees across the three islands. As I said, the Bill is a consequence of a commercial decision to merge the majority of the bank's operations in the Isle of Man and the Channel Islands into a single company with presences in all islands.

I do not think there is much more to add, Mr President, really. I am grateful to hon. members for their support for the readings today. It is worth saying, perhaps, that Barclays have

studied carefully Tynwald's approach to the OECD and EU initiatives as well as our published tax strategy, and Barclays certainly believe that there exists here greater flexibility for them to operate. As I say, it is a very good one and I beg to move, sir, that the Bill be read a third time and do pass.

The President: Mr Crowe.

Mr Crowe: Mr President, I beg to second the third reading and in doing so I will give this Bill my full support. It is a milestone for the Isle of Man and very good news, as it gives the Island better status and a higher profile in world terms. It is also nice to see a reverse of the situation last year of banks moving their head office off the Island, and this move by Barclays to the Isle of Man is based on objective criteria, as the mover has just mentioned.

Just on a point that Dr Mann raised earlier about the depositor's protection scheme, I can see his point about the consolidation of companies leading to a lesser number of banks and a lesser number of licence-holders, but the depositor's protection scheme still applies; it is just that a smaller number of banks would, if called upon, pay a higher levy than a larger number of banks, so I see the point he is making. There is, however, logic in Dr Mann's suggestion that the level of compensation in the light of inflation since the scheme was first instituted should be looked at, so again it is something I will pick up at Treasury and FSC level, so with that I fully endorse the Bill.

The President: With that, then, hon. members, and no member wishing to speak to it, I will put to you the motion that the Barclays Private Clients International Bill 2002 be read for a third time. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Now, hon. members, Council will now sit in private. Thank you.

The Council sat in private.