

**CONSTITUTION OF  
THE ASSOCIATION OF COMMERCIAL  
BANKNOTES ISSUERS**

<b>Table of contents</b>	<b>Page No</b>
<b>1. Introduction</b>	<b>3</b>
<b>2. Interpretation</b>	<b>3</b>
<b>3. Purpose and Terms of Reference</b>	<b>3</b>
<b>4. This constitution</b>	<b>5</b>
<b>5. Structure and Governance</b>	<b>5</b>
<b>6. Decision making</b>	<b>6</b>
<b>7. Finance and Funding</b>	<b>6</b>
<b>8. Secretariat</b>	<b>7</b>
<b>9. Membership</b>	<b>7</b>
<b>10. Confidentiality</b>	<b>8</b>
<b>11. Leaving the Association of Commercial Banknote Issuers</b>	<b>8</b>
<b>12. Dissolution of the Association of Commercial Banknote Issuers</b>	<b>8</b>

## 1. Introduction

- 1.1. This document constitutes an agreement amongst the Members in relation to an association which exists to promote the objectives.
- 1.2. The association will be called “*The Association of Commercial Banknote Issuers*” and will generally be referred to as “*ACBI*”.

## 2. Interpretation

- 2.1. In this constitution, unless the context otherwise requires:
  - 2.1.1. “**ACBI**” means “The Association of Commercial Banknote Issuers”.
  - 2.1.2. “**Constitution**” means this constitution, as amended from time to time.
  - 2.1.3. “**Member**” means any organisation, or its legal successor, that has been admitted as, and has not ceased to be, a member of ACBI.
  - 2.1.4. “**Objectives**” means the objectives of ACBI set out in Section 3, as amended from time to time.
  - 2.1.5. “**Banknotes**” means notes issued by the authorised banks in Scotland and Northern Ireland.

## 3. Purpose and Terms of Reference

### 3.1. Purpose

The Association of Commercial Banknote Issuers (ACBI) has been established pursuant to matters highlighted in the following UK Treasury consultations:

“Banknote issue arrangements in Scotland and Northern Ireland” (July 2005); and  
“Financial stability and depositor protection: further consultation” (July 2008).

ACBI provides a forum to assist the Bank of England in the discharge of its responsibility for maintaining confidence in the integrity of all paper currency in the UK and it supports the Bank of England in this area in relation to all banknotes issued by the note-issuing banks in Scotland and Northern Ireland.

ACBI facilitates discussion, debate and co-operation amongst its Members on matters of mutual interest or concern that relate to banknote issuance and that are non-competitive in nature.

### **3.2. Out with scope**

ACBI will not address matters or issues that are:

- 3.2.1. On the agenda of the Payments Council Cash Services Group
- 3.2.2. Related to the Note Circulation Scheme
- 3.2.3. Of a commercially sensitive nature

### **3.3. Objectives**

- 3.3.1. To provide a forum whereby Member organisations can discuss matters relating to the Banknote Regulations and Rules with a view to facilitating their effective deployment;
- 3.3.2. To create and maintain a register of Scottish and Northern Ireland banknotes currently in circulation;
- 3.3.3. To maintain and periodically publish statistics of counterfeiting trends in relation to Scottish and Northern Ireland banknotes;
- 3.3.4. To discuss and share best practice in relation to the development of new security features and means of detecting counterfeit notes;
- 3.3.5. To oversee and offer advice on the development, production and distribution of information and educational material relating to Scottish and Northern Ireland banknotes;
- 3.3.6. To discuss the introduction by any of the Scottish or Northern Ireland authorised banks of any new banknote denominations;
- 3.3.7. To share best practice in relation to the launch of new banknote designs as well as to act as a collaborative forum to support the launch of a new banknote series by an individual member;
- 3.3.8. To support an individual note issuing bank to respond effectively and flexibly in the public interest to circumstances involving a major counterfeit attack on a Scottish or Northern Ireland banknote;
- 3.3.9. In accordance with relevant legislative provisions, to liaise with and assist the Bank of England in the management of the practical consequences of any current issuer ceasing to issue its own notes.
- 3.3.10. To publish information relating to the activities of ACBI where deemed appropriate by the Members and using publication media approved by the Members.
- 3.3.11. To liaise with such other groups, organisations and government bodies as the Members may decide for the purposes of securing achievement of the association's objectives.
- 3.3.12. To nominate individuals from ACBI who will represent it at meetings of other groups or organisations, from time to time.

## **4. This constitution**

- 4.1. This constitution will come into effect on 1<sup>st</sup> March 2010 (the Effective Date) and it will replace all previous constitutions and/or rules or Terms of Reference that may have been in effect prior to the effective date.
- 4.2. Each Member is bound by this constitution and by subsequent amendments to it.
- 4.3. Except to any extent otherwise expressly provided for in this Constitution, no person other than a Member shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision (express or implied) of this Constitution, but this sub-clause does not prejudice any right or remedy of any third party which may exist or be available apart from such Act.
- 4.4. This constitution may be amended by resolution passed at a meeting of the Members or by written resolution signed on behalf of all Members. Bank of England will be consulted regarding any proposed changes to the ACBI constitution.

## **5. Structure and Governance**

### **5.1. Composition of ACBI**

Each Member shall nominate as its principal representative on ACBI a senior representative from its Payments, Cash Services or other relevant business area who has the expertise, experience and authority required to address matters likely to be considered by the association. In addition, Members will nominate a suitable alternate who will attend meetings of the association instead of the principal representative, in the event that the principal representative is unable to attend.

### **5.2. Relationship to other Cash and Banknotes Groups**

ACBI is not subordinate to any other Cash or Banknotes Groups - for example the Payments Council Cash Services Group, the National Anti-Counterfeiting Forum – in that it will discuss an agenda specific to Scottish and Northern Ireland banknotes.

### **5.3. Chairmanship**

Chairmanship of ACBI will rotate amongst the Members on an annual basis, or at such other intervals as may be agreed by the Members.

### **5.4. Sub Committees and Working Groups**

5.4.1. From time to time, ACBI may authorise the establishment of sub-committees or working groups to undertake such work and responsibilities as may be delegated to them. The composition of each sub-committee or working group will be agreed by the Members and may include principal or alternate representatives and/or such other personnel as the Members may consider possess knowledge, skills and experience relevant to the achievement of the specific objectives of the sub-committee or working group.

5.4.2. Each sub-committee or working group will report and make recommendations to ACBI, which will have responsibility for agreeing each sub-committee's or working group's remit, scope and Terms of Reference and will remain the sole decision-making body.

- 5.4.3. ACBI may terminate the operation of any sub-committee or working group.
- 5.5. Frequency of Meetings**
- 5.5.1. ACBI will meet four times per year, or at such other intervals as may be agreed by the Members.
- 5.5.2. Sub Committees and Working Groups authorised by ACBI will meet at such intervals as are set out in their Terms of Reference.
- 5.6. Attendance at meetings and Quorum**
- 5.6.1. Members of ACBI will be required to attend all meetings of the association.
- 5.6.2. In the event that the principal representative is unable to attend a meeting, the nominated alternate should attend in his or her stead.
- 5.6.3. Representatives nominated by Members to serve on sub-committees or working groups will be expected to attend all meetings of those sub-committees or working groups.
- 5.6.4. The preferred mode of attendance at association, sub-committee or working group meetings will be “face-to-face”. However, subject to prior agreement and arrangement, attendance may be by video or telephone link.
- 5.6.5. The attendance of five of the voting Members will be required for a meeting of ACBI to be quorate.
- 6. Decision making**
- 6.1. Decision making will be by unanimous agreement of all voting Members and decisions and agreements reached on that basis will be binding on all Members.
- 7. Finance and Funding**
- 7.1. ACBI’s financial year will run from 1<sup>st</sup> January until 31<sup>st</sup> December each year.
- 7.2. Prior to the end of each financial year, the Secretariat will prepare for approval of the Members an operational expenditure budget for the following financial year.
- 7.3. The cost of ACBI’s annual operational expenditure will be shared by the Members in such proportions as may be decided by the Members from time to time.
- 7.4. ACBI may open a bank account to be operated as decided by the members in order to receive funding payments from Members and facilitate the handling of the association’s financial transactions.
- 8. Secretariat**
- 8.1. Secretariat services will be provided to ACBI by the Committee of Scottish Clearing Bankers (CSCB), for which CSCB will levy an annual management fee to be agreed by the Members of ACBI.

## **9. Membership**

### **9.1. Members**

Members of ACBI will be those banks in Scotland and Northern Ireland which issue their own banknotes. The following organisations are confirmed as Members of ACBI and entitled to vote in its decision making processes as at the Effective Date:

Bank of Scotland, Bank of Ireland, Clydesdale Bank, First Trust Bank, Northern Bank, Royal Bank of Scotland and Ulster Bank.

### **9.2. Non-Voting, ex officio attendees**

If they consider that it will be beneficial to the achievement of the association's objectives, the Members may, from time to time, invite other organisations to attend and take part in meetings of ACBI, whether for whole meetings or parts of meetings, on a non-voting, ex officio basis.

9.2.1. Bank of England and the Payments Council (formerly APACS) will be invited to attend meetings of ACBI on a non-voting, ex officio basis

### **9.3. Co-option of expert representatives**

Where they deem it appropriate, the Members may, from time to time, agree to co-opt onto the association, or one of its sub-committees or working groups, expert representatives for the purpose of assisting with particular technical issues.

9.3.1. Such co-options will be for a temporary period only and will cease once the particular matters for which the co-option was initiated have been satisfactorily resolved or earlier, as decided by the Members.

9.3.2. Individuals or organisations temporarily co-opted to ACBI, or one of its sub-committees or working groups, will not be entitled to vote.

## **10. Confidentiality**

**10.1.** Each Member agrees to keep confidential within the Member's organisation all information which has been received by virtue of Membership of ACBI, which by its nature is confidential or which the Member knows or should reasonably know is confidential, even following the date on which Membership ceases.

**10.2.** Minutes of the meetings of ACBI will remain confidential and distribution will be restricted to the association's Membership, except as otherwise agreed by the Members. Minutes of meetings of ACBI will be made available to Bank of England and the Payments Council.

**10.3.** This clause does not apply to information which (a) is already in the public domain when received or (b) is subsequently brought into the public domain otherwise than by such Member, or (c) was already known to the Member at the time of receipt and was not acquired by the Member under any obligation of confidence or (d) was independently developed by the Member without any use of confidential information provided by or through ACBI.

## **11. Leaving ACBI**

- 11.1.** A Member may resign membership of ACBI by giving notice to the Secretariat of not less than 12 months. A shorter period of notice may be agreed by the remaining Members.
- 11.2.** No refund will be made of annual funding payments already received from Members who intimate their intention to resign.
- 11.3.** Resigning Members will remain liable, limited to the notice period of 12 months, for their agreed share of financial expenditure to which ACBI has committed, with the agreement of the resigning Member, prior to such Members intimating their intention to resign.
- 11.4.** In the event that a Member ceases to issue its own banknotes, either voluntarily or otherwise, its membership of ACBI will terminate at a date to be agreed by the remaining Members.

## **12. Dissolution of ACBI**

- 12.1.** Dissolution of ACBI will occur if the Members of the association pass a resolution to dissolve by a unanimous vote. A minimum of 12 months notice of dissolution of ACBI will require to be provided to the Bank of England.