



HBOS Group Reorganisation Act 2006

2006 CHAPTER i

An Act to make new provision for the regulation and management of the Governor and Company of the Bank of Scotland upon its registration as a public company under the Companies Act 1985; to provide for the transfer of the undertakings of Capital Bank plc, Halifax plc and HBOS Treasury Services plc to the Governor and Company of the Bank of Scotland; to provide for the transfer of the assets of the Clerical, Medical and General Life Assurance Society to Clerical Medical Investment Group Limited; and for connected purposes. [21st June 2006]

WHEREAS—

- (1) By an Act of the Parliament of Scotland passed in the fifth year of the reign of His Majesty King William the Third dated 17 July 1695 entitled “An Act of Parliament for Erecting a Bank in Scotland” the Governor and Company of the Bank of Scotland (“the Bank”) was incorporated “for the carrying on and managing of a publick bank”:
- (2) Powers of increasing its capital stock were conferred on the Bank and further provisions for the management and administration of its affairs were made by the following Acts of Parliament: 14 George III chapter 32, 24 George III session 2 chapter viii, 32 George III chapter 25, 34 George III chapter 19, 44 George III chapter xxiii, the [Bank of Scotland Act 1873 \(c. xcix\)](#), the [Bank of Scotland Act 1920 \(c. xxxi\)](#), the [Bank of Scotland Order Confirmation Act 1954 \(c. lvi\)](#), and the [Bank of Scotland Order Confirmation Act 1970 \(c. xxxiv\)](#); and the business and affairs of the Bank are regulated, managed, administered and carried on under and by virtue of those Acts (“the Bank of Scotland Acts 1695 to 1970”):
- (3) The Bank is now a wholly owned subsidiary of HBOS plc (“HBOS”), a public limited company incorporated in Scotland under the Companies Act [1985 \(c. 6\)](#):
- (4) Capital Bank plc (“Capital Bank”) is a public limited company incorporated in England under the Companies Act [1929 \(c. 23\)](#) that is a wholly owned subsidiary of the Bank which carries on and whose subsidiary companies carry on in the United Kingdom and elsewhere the businesses of banking and financial services and other related activities:
- (5) Halifax plc (“Halifax”) is a public limited company incorporated in England under the Companies Act [1985 \(c. 6\)](#) that is a wholly owned subsidiary undertaking of HBOS and which carries on and whose subsidiaries carry on in the United Kingdom and elsewhere the businesses of banking and financial services and other related activities:

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

- (6) HBOS Treasury Services plc (“Treasury Services”) is a public limited company incorporated in England under the Companies Act 1985 that is a wholly owned subsidiary of the Bank which carries on in the United Kingdom and elsewhere the businesses of banking and financial services and other related activities:
- (7) The Clerical, Medical and General Life Assurance Society (“the Society”) was formed by a Deed of Settlement dated 14 February 1827 for the purposes of making or effecting assurances on lives and survivorships and other related activities:
- (8) By the Clerical, Medical and General Life Assurance Acts 1850 (c. ix) and 1887 (c. x), provision was made with regard to the administration and finances of the Society, in place of the Deed of Settlement, which was repealed; by the Clerical, Medical and General Life Assurance Act 1961 (c. xii), the persons assured became members of the Society; and by the Clerical, Medical and General Life Assurance Act 1974 (c. xi), the Society was incorporated:
- (9) By a scheme made on 31 December 1996 in accordance with Schedule 2C to the Insurance Companies Act 1982 (c. 50), the long-term business of the Society was transferred to Clerical Medical Investment Group Limited (“CMIG”), a subsidiary of HBOS Insurance & Investment Group Limited, which is a wholly owned subsidiary of HBOS, with the exception of certain assets of the Society that could not be transferred by such a scheme and are presently held by the Society on trust for CMIG:
- (10) For the better conduct of the business of HBOS and its subsidiaries and in order to enable the Bank to carry on its business to the best advantage it is expedient—
- (a) that the Bank be registered as a public company under Chapter 2 of Part 22 of the Companies Act 1985;
 - (b) to repeal, amend or replace various provisions of the Bank of Scotland Acts 1695 to 1970 regulating the Bank’s affairs that have become in many respects outmoded having regard to present-day requirements and practice, and to make further provision for the regulation and management of the Bank; and
 - (c) to provide for the fusion of the undertakings of the Bank, Capital Bank, Halifax and Treasury Services by the transfer to the Bank of the undertakings of Capital Bank, Halifax and Treasury Services:
- (11) For the better conduct of the business of HBOS and its subsidiaries and in order to enable CMIG to carry on its business to the best advantage it is expedient to provide for the transfer to CMIG of the remaining assets of the Society and the dissolution of the Society:
- (12) It is expedient that the Bank should be able to effect at the same time as the registration, the changes to the provisions concerning the regulation and management of the Bank, and the fusion of the undertakings:
- (13) It is expedient that the fusion of the undertakings should be effected economically and without interference with the conduct and continuity of the businesses carried on by HBOS and its subsidiaries:
- (14) It is expedient that the other provisions in this Act be enacted:
- (15) The objects of this Act could not have been attained without the authority of Parliament:

May it therefore please your Majesty that it may be enacted, and be it enacted, by the Queen’s Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows: