



CHAPTER cxxxix.

An Act to amend the Royal Charters and Acts of Parliament relating to the Royal Bank of Scotland and to confer further powers on the Bank. A.D. 1920.

[16th August 1920.]

WHEREAS by a Royal Charter granted by His Majesty King George the First dated the thirty-first day of May one thousand seven hundred and twenty-seven the Royal Bank of Scotland (hereinafter called "the Bank") was incorporated with full power and liberty to exercise the rights and powers of banking in that part of the United Kingdom called Scotland only and with other powers rights and privileges of a corporate body :

And whereas further powers for raising additional capital and for the better management of its business were subsequently conferred on the Bank by seven successive charters dated respectively the first day of November one thousand seven hundred and thirty-eight the sixteenth day of May one thousand seven hundred and seventy the tenth day of June one thousand seven hundred and eighty-three the fifth day of June one thousand seven hundred and eighty-eight the seventh day of August one thousand seven hundred and ninety-three the thirty-first day of January one thousand eight hundred and four and the thirtieth day of December one thousand eight hundred and twenty-nine :

And whereas by the Royal Bank of Scotland Act 1873 the Bank was authorised to establish a branch for the purpose of carrying on the business of banking in London and the recited charters were altered and amended in other respects :

[Ch. cxxxix.] *Royal Bank of Scotland* [10 & 11 GEO. 5.]
Act, 1920.

A.D. 1920. And whereas by the Royal Bank of Scotland Act 1907 the Bank was authorised to carry on the business of banking in any part of the United Kingdom and the recited charters and the recited Act of Parliament were altered and amended in other respects:

And whereas it is expedient that the rights and powers of the Bank in the exercise of its business should be more particularly defined:

And whereas the capital of the Bank authorised to be raised by the recited charters amounts to two millions of pounds sterling fully paid up:

And whereas it is expedient that the Bank should be empowered to increase its capital should it be found advisable to do so at any time for the purposes of the business of the Bank:

And whereas it is expedient that further powers should be granted in relation to the investment of the funds of the Bank and the management and administration of the affairs of the Bank:

And whereas the purposes of this Act cannot be effected without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted and be it enacted by the King'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 (that is to say):—

Short title.

1. This Act may be cited as the Royal Bank of Scotland Act 1920.

Commence-
ment of Act.

2. This Act shall commence and have effect on and from the date of the passing thereof which date is hereinafter referred to as "the commencement of this Act."

Interpreta-
tion.

3. In this Act unless there be something in the subject or context repugnant to such construction—

The expression "the Bank" means the Royal Bank of Scotland;

The expression "the general court" means the general court of the proprietors of the Bank;

[10 & 11 GEO. 5.] *Royal Bank of Scotland* [Ch. cxxxix.]
Act, 1920.

The expression "the court of directors" means the governor the deputy governor and the ordinary directors of the Bank; A.D. 1920.

The expression "stock" or "stock of the Bank" means the capital stock of the Bank and the additional capital stock of the bank raised or authorised to be raised by the charters and by this Act;

The expression "the charters" means the recited Royal Charter dated the thirty-first day of May one thousand seven hundred and twenty-seven incorporating the Bank and the seven recited Royal Charters amending the same;

The expression "the Act of 1873" means the Royal Bank of Scotland Act 1873;

The expression "the Act of 1907" means the Royal Bank of Scotland Act 1907.

4. Without prejudice to the powers of the Bank for the carrying on of the business of banking for which it was established the Bank shall have power in carrying on its said business and as ancillary thereto:— Powers of Bank.

To carry on the business of banking in all or any of its departments either at home or abroad to establish and maintain for that purpose branches or agencies to take hold and dispose of lands and houses and other real property and estate at home or abroad and generally to do all acts and things usual to be done in the prosecution of such business of banking or which may conduce or be calculated directly or indirectly to facilitate or render profitable the prosecution of such business or may be calculated to promote the profitable employment or use of the assets of the Bank Provided that nothing in this Act contained shall authorise the Bank to issue its own bank notes elsewhere than in Scotland:

To procure the bank to be registered licensed or otherwise legally recognised in the British colonies or dependencies or any of them or in any foreign country:

To establish special committees local boards local managing or consulting committees or local agencies in the United Kingdom or abroad and appoint any one or more of the

A.D. 1920.

ordinary directors of the Bank or any other person or persons to be members thereof with such powers and authorities under such regulations for such period and at such remuneration as the court of directors may deem fit and from time to time to revoke any such appointment fix the quorum of the said committees and delegate to them from time to time all or such powers vested in themselves as the said court may deem expedient the proceedings of which committees shall from time to time be reported to the said court:

To purchase acquire whether for cash stock or otherwise undertake and continue the whole or any part of or interest in the business property assets and liabilities of any person or company carrying on any banking or discount or similar business:

To enter into partnership or into any arrangement for sharing profits union of interest co-operation joint adventure reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the bank is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit the Bank and to lend money to guarantee the contracts and obligations of or otherwise assist any such person or company and to acquire shares and securities of any such company and to sell hold re-issue with or without guarantee or otherwise deal with the same:

To make arrangements for securing reciprocity of interests between the Bank and any other company or person having objects similar to the objects of the Bank or any of them and that by the issue or sale to such other company or person of any of the stock of the Bank or by purchase of all or any of the shares or stock or debentures or other interest in the business of any such other company or person or by an arrangement of the nature of partnership or by an exchange of such stock shares debentures or interest or by the sale of the whole or any part of the assets of the Bank for the time being or by the purchase or acquisition of the whole or any part of the assets of such other company

or person and to exchange any of the assets of the Bank for the time being for any other assets which the Bank is entitled to hold: A.D. 1920.

To promote any company or companies for the purpose of acquiring or taking over any part of the property and liabilities of the Bank for the time being or for any other purpose which may seem directly or indirectly calculated to benefit the Bank:

To guarantee or otherwise become responsible for the performance of obligations or contracts of every kind by any government colony corporation board council association society local or other public authority company firm managing committee institution philanthropic charitable religious or secular body or person whatsoever:

To grant indemnities against loss and risks of all kinds:

To guarantee or underwrite or acquire and re-issue or become liable to secure the subscription or placing of or to agree unconditionally or subject to any conditions to subscribe for or procure the subscription of any money or of the whole or any part of any issue of stock shares loans funds debentures debenture stocks mortgage debentures or mortgage debenture stock:

To act as agents and to act for and represent and to employ as agents any company or person resident in the United Kingdom or elsewhere:

To act as and to undertake the duties of executor and trustee of wills or settlements to act as trustee of deeds or documents securing debentures debenture stock or other issues of joint stock or other companies to act as trustee for charitable and other institutions and generally to undertake and execute trusts of all kinds (including the office of custodian trustee) with or without remuneration but nothing in this subsection shall authorise the Bank (except by agreement with the persons interested in the trust estate) to make any charge for so acting unless authorised so to do by the will settlement or other instrument creating the trust:

To undertake the office of treasurer and to keep for any company government authority or body any register relating to any stocks funds shares or securities and to

A.D. 1920.

undertake any duties in relation to the registration of transfers the issue of certificates or otherwise :

To establish and support or aid in the establishment and support of associations institutions funds and trusts calculated to benefit employees or ex-employees of the Bank or their wives or dependants and to grant bonuses gratuities or pensions to any of such persons and to endow support and subscribe to any charitable institution or society or provident or benefit fund calculated to be beneficial to such persons or any of them :

To sell exchange excamb lease improve manage develop and open up for building or otherwise build upon feu lease pledge mortgage charge dispose of or otherwise turn to account or deal with or in all or any part of the property and rights of the Bank or any property and rights in which the Bank may be interested with others :

To take over acquire carry on or procure the carrying on of any business or undertaking in which any of the Bank's debtors or customers may be engaged or interested or the carrying on of which may be beneficial to the Bank and to enter into or perform any obligations in connexion therewith :

To distribute among the proprietors in specie any property of the Bank whether by way of dividend bonus or otherwise provided that no such distribution shall be made amounting to a reduction of capital :

To apply for and obtain Acts of Parliament and Provisional Orders or to subscribe to the expense of obtaining the same or otherwise as may be thought expedient and to oppose Bills Provisional Orders or any other proceedings in Parliament or elsewhere which may seem directly or indirectly calculated to affect the Bank's interests prejudicially and pay or subscribe to the expense of the opposition thereto :

To do all or any of the above things in any part of the world and as principals agents contractors trustees or otherwise and by or through trustees agents or otherwise and either alone or in conjunction with others :

To do all such other things as may be incidental or conducive to the attainment of the above objects.

5.—(1) The general court may from time to time increase the capital of the Bank by the creation of new stock of such amount and description as the general court may resolve. A.D. 1920.
Increase of capital.

(2) Stock so created shall while unissued remain under the control of the general court who may issue or allot the same at such prices and times in such manner and generally for such purposes and upon such terms and conditions as the general court shall resolve. Stock so issued or allotted shall be under the management care and direction of the Bank from the time of issue or allotment in like way and manner as the stock already issued under the authority of the charters.

(3) Stock created under the powers of this section and the proprietors thereof shall subject to the terms of the resolution creating or authorising the issue of such stock have the same privileges liberties and immunities and be subject to the same restrictions and provisions in all respects as the existing stock of the Bank and the proprietors thereof have enjoy and are subject to.

(4) So much of the recited Royal Charter of the thirty-first day of May one thousand seven hundred and twenty-seven as authorises the general court to make calls upon the proprietors of stock of the Bank of the amount therein specified and to repay the same is hereby repealed.

(5) The period within which the Bank shall deliver to the Commissioners of Inland Revenue the statement of the amount of any increase of nominal capital required by section 113 of the Stamp Act 1891 shall be one month after the date of any resolution whereby the capital of the Bank is increased.

6.—(1) The stock of the Bank including new stock created under the provisions of the immediately preceding section may be assigned or transferred by a transfer in such form as the court of directors may from time to time prescribe but unless and until otherwise directed by the said court transfers shall be prepared in the way and manner and upon the terms and conditions prescribed by the Act of 1873 and the Act of 1907. Transfers.

(2) No transfer of stock shall have any force or effect as between the Bank on the one hand and the transferor or transferee on the other unless and until passed by the court of

A.D. 1920. directors and the transferor shall remain the holder of the stock until the name of the transferee is entered in the register of proprietors of the Bank in respect thereof The court of directors in their absolute discretion may decline to pass a transfer of any stock and shall not be under obligation to give any reason for so doing.

Investment
of funds of
Bank.

7. In addition and without prejudice to the existing powers of the Bank in relation to the investment or employment of the funds of the Bank the court of directors may in their discretion invest or lend or employ the funds of the Bank in or upon such investments or securities or in such manner as the said court may think fit and may at the like discretion from time to time vary such investments.

Directors.

8.—(1) Notwithstanding anything contained in the charters or in the Act of 1873 or the Act of 1907 the number of the extraordinary directors and of the ordinary directors of the Bank and the quorum of meetings of directors shall respectively be such as the general court shall from time to time appoint Provided that until the general court shall otherwise appoint the number of extraordinary directors and of ordinary directors and the quorum of meetings of directors shall remain as at the commencement of this Act.

(2) The remuneration of the directors shall be such as shall be fixed by the general court from time to time and may be payable free of tax or otherwise as the said court may appoint and shall continue from year to year as so fixed or appointed until the general court shall otherwise determine but until so fixed or appointed shall remain as at the commencement of this Act.

(3) A member of the court of directors performing special services for the Bank shall be entitled to receive such remuneration as may be fixed by the court of directors or such special remuneration for going abroad or for special or extraordinary service as the court of directors shall determine A member of the court of directors shall also be entitled to be reimbursed any reasonable out-of-pocket expenses incurred by him in connexion with his attendance at meetings of the general court or of the court of directors or in connexion with the business of the Bank.

[10 & 11 GEO. 5.] *Royal Bank of Scotland* [Ch. cxxxix.]
Act, 1920.

9. A member of the court of directors may be or become a director of any company in which the bank may be interested as a vendor shareholder or otherwise and shall not be accountable to the Bank for any benefits received as director of or vendor to such company.

A.D. 1920.
Directors
may be direc-
tors of cer-
tain other
companies.

10. The principal official of the Bank who is by the said recited Royal Charter of the thirty-first day of May one thousand seven hundred and twenty-seven described and has hitherto been known by the title of "cashier" may after the commencement of this Act be described as "cashier and general manager" or as "general manager" or by such other title as the court of directors shall from time to time determine and shall be eligible for office as a director of the Bank:

Change of
title of prin-
cipal official
of Bank.

11. Section 24 (Election of auditors) of the Act of 1907 shall be read and have effect as if the word "two" did not occur therein.

Amendment
of section 24
of Act of
1907.

12. Nothing in this Act contained shall take away diminish or prejudice any rights powers or privileges conferred on or enjoyed by the Bank by or under the charters or the Act of 1873 and the Act of 1907 or any other Act and the charters and the said Acts except in so far as altered by or inconsistent with this Act shall be and remain in full force and effect.

Saving of
existing
powers &c.

13. Nothing in this Act contained shall exempt the Bank from the provisions of any general Act relating to banks passed before or after the commencement of this Act.

Saving for
general
Acts relating
to banks.

14. All costs charges and expenses of and incidental to the preparing for obtaining and passing of this Act or otherwise in relation thereto shall be paid by the Bank.

Costs of Act.

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