

# BANK OF ENGLAND ACT 1998

## CHAPTER 11

An Act to make provision about the constitution, regulation, financial arrangements and functions of the Bank of England, including provision for the transfer of supervisory functions; to amend the Banking Act 1987 in relation to the provision and disclosure of information; to make provision relating to appointments to the governing body of a designated agency under the Financial Services Act 1986; to amend Schedule 5 to that Act; to make provision relating to the registration of Government stocks and bonds; to make provision about the application of section 207 of the Companies Act 1989 to bearer securities; and for connected purposes. [23 April 1998]

### PART I

## CONSTITUTION, REGULATION AND FINANCIAL ARRANGEMENTS

### *Constitution and regulation*

#### **1 Court of directors**

- (1) There shall continue to be a court of directors of the Bank.
- (2) The court shall consist of a Governor, 2 Deputy Governors and [ ..... ] directors of the Bank, all of whom shall be appointed by Her Majesty.

*Amended by sections 239(1) and 239(2) of the Banking Act 2009, which came into force on 1 June 2009.*

[(2A) The number of directors must not exceed 9.]

*New section 1(2A) introduced by sections 239(1) and (3) of the Banking Act 2009, which came into force on 1 June 2009.*

- (3) On the day on which this Act comes into force, all persons who are, immediately before that day, holding office as director of the Bank shall vacate their office.

*Section 239(4) of the Banking Act 2009 provides: 'The directors immediately before the day on which this section comes into force shall vacate office on that day (without prejudice to re-appointment'. Section 239 came into force on 1 June 2009.*

- (4) Schedule 1 shall have effect with respect to the court.

## **2 Functions of court of directors**

- (1) The court of directors of the Bank shall manage the Bank's affairs, other than the formulation of monetary policy.
- (2) In particular, the court's functions under subsection (1) shall include determining the Bank's objectives (including objectives for its financial management) and strategy.
- (3) In determining the Bank's objectives and strategy, the court's aim shall be to ensure the effective discharge of the Bank's functions.
- (4) Subject to that, in determining objectives for the financial management of the Bank, the court's aim shall be to ensure the most efficient use of the Bank's resources.

[ (5) Sections 2A and 11 set objectives for the Bank in relation to financial stability and monetary policy; and subsections (2) to (4) above are subject to those sections. ]

*Section 2(5) introduced by section 238(2) of the Banking Act 2009, which came into force on 1 June 2009.*

### **[2A Financial Stability Objective**

- (1) An objective of the Bank shall be to contribute to protecting and enhancing the stability of the financial systems of the United Kingdom (the "Financial Stability Objective").
- (2) In pursuing the Financial Stability Objective the Bank shall aim to work with other relevant bodies (including the Treasury and the Financial Services Authority).
- (3) The court of directors shall, consulting the Treasury, determine and review the Bank's strategy in relation to the Financial Stability Objective.

### **2B Financial Stability Committee**

- (1) There shall be a sub-committee of the court of directors of the Bank (the "Financial Stability Committee") consisting of –
  - (a) the Governor of the Bank, who shall chair the Committee (when present),
  - (b) the Deputy Governors of the Bank, and
  - (c) 4 directors of the Bank, appointed by the chair of the court of directors (designated under paragraph 13 of Schedule 1).
- (2) The Committee shall have the following functions –
  - (a) to make recommendations to the court of directors, which they shall consider, about the nature and implementation of the Bank's strategy in relation to the Financial Stability Objective,

(b) to give advice about whether and how the Bank should act in respect of an institution, where the issue appears to the Committee to be relevant to the Financial Stability Objective,

(c) in particular, to give advice about whether and how the Bank should use stabilisation powers under Part 1 of the Banking Act 2009 in particular cases,

(d) to monitor the Bank's use of the stabilisation powers,

(e) to monitor the Bank's exercise of its functions under Part 5 of the Banking Act 2009 (inter-bank payment systems), and

(f) any other functions delegated to the Committee by the court of directors for the purpose of pursuing the Financial Stability Objective.

(3) The Treasury may appoint a person to represent the Treasury at meetings of the Committee; and the Treasury's representative –

(a) may not vote in proceedings of the Committee,

(b) shall in all other respects be a member of the Committee, and

(c) may be replaced by the Treasury.

(4) The Committee may co-opt other non-voting members.

(5) The chair of the court of directors may replace members of the Committee appointed under subsection (1)(c).

## **2C Financial Stability Committee: supplemental**

(1) The Committee shall determine its own procedure (including quorum).

(2) If a member of the Committee has any direct or indirect interest (including any reasonably likely future interest) in any dealing or business which falls to be considered by the Committee –

(a) he shall disclose his interest to the Committee when it considers the dealing or business, and

(b) he shall have no vote in proceedings of the Committee in relation to any question arising from its consideration of the dealing or business, unless the Committee has resolved that the interest does not give rise to a conflict of interest.

(3) The Committee may delegate a function under section 2B(2)(b) to (e) to two or more of its members, excluding –

(a) the Treasury representative, and

- (b) co-opted non-voting members.]

*New sections 2A, 2B and 2C introduced by section 238(1) of the Banking Act 2009, which came into force on 1 June 2009.*

### **3 Functions to be carried out by non-executive members**

(1) The functions mentioned in subsection (2) shall stand delegated to a sub-committee of the court of directors of the Bank consisting of the directors of the Bank.

(2) The functions referred to are –

- (a) keeping under review the Bank's performance in relation to the objectives and strategy for the time being determined by the court of directors of the Bank,
- (b) monitoring the extent to which the objectives set by the court of directors of the Bank in relation to the Bank's financial management have been met,
- (c) keeping under review the internal financial controls of the Bank with a view to securing the proper conduct of its financial affairs, and
- (d) determining how the functions under paragraph 14 of Schedule 1 (remuneration and pensions etc. of executive members of the court) should be exercised.

(3) [...]

*Wording in section 3(3) repealed by sections 242(1) and 242(2)(a) of the Banking Act 2009, which came into force on 1 June 2009.*

[(4) The chair of the court (designated under paragraph 13 of Schedule 1) shall chair meetings of the sub-committee (when present).]

*Previous wording in section 3(4) repealed, and square bracketed wording substituted by section 241(2) of the Banking Act 2009, which came into force on 1 June 2009.*

(5) If a member of the sub-committee has any direct or indirect interest in any dealing or business with the Bank which falls to be considered by the sub-committee –

- (a) he shall disclose his interest to the sub-committee when it considers the dealing or business, and
- (b) he shall have no vote in proceedings of the sub-committee in relation to any question arising from its consideration of the dealing or business, unless the sub-committee has resolved that the interest does not give rise to a conflict of interest.

(6) In any proceedings of the sub-committee, a member shall have no vote in relation to any question arising which touches or concerns him but shall withdraw and be absent during the debate of any matter in which he is concerned.

(7) Subject to subsections [(4)] to (6), the sub-committee shall determine its own procedure [(including quorum)].

*Wording in section 3(7) repealed, and square bracketed wording substituted (and new wording added) by sections 242(1), 242(2)(b) and 242(2)(c) of the Banking Act 2009, which came into force on 1 June 2009.*

(8) The sub-committee may delegate any of its functions to two or more of its members.

#### **4 Annual report by the Bank**

(1) As soon as practicable after the end of each of its financial years, the Bank shall make to the Chancellor of the Exchequer a report on its activities in that year.

(2) A report under this section shall, in particular, contain –

(a) a report by the directors of the Bank on the matters for which the sub-committee constituted by section 3 is responsible, and

(b) a copy of the statement for the year prepared under section 7(2) and the report of the Bank’s auditors on it.

(3) The report mentioned in subsection (2)(a) shall, in particular, include a review of the Bank’s performance in relation to its objectives and strategy, as determined by the court of directors of the Bank, in the financial year to which the report under this section relates.

(4) A report under this section shall also contain –

(a) a statement of the rate or rates at which directors of the Bank have been remunerated in the financial year to which the report relates, and

(b) a statement of the Bank’s objectives and strategy, as determined by the court of directors of the Bank, for the financial year in which the report is made.

(5) The Bank shall publish every report under this section in such manner as it thinks appropriate.

(6) The Chancellor of the Exchequer shall lay copies of every report under this section before Parliament.

#### **5 Custody and use of the seal**

(1) The court of directors of the Bank shall have custody of the Bank’s seal.

(2) The seal shall only be affixed to an instrument if the affixation has been authorised by the court or by a sub-committee of the court acting in exercise of delegated authority.

(3) The affixing of the seal shall be attested by the signature of –

- (a) two members of the court,
- (b) one member of the court and the secretary to the court, or
- (c) two other officers of the Bank authorised by the court for the purpose.

### ***Financial arrangements***

## **6 Cash ratio deposits**

Schedule 2 (which makes provision about the maintenance of cash deposits with the Bank by certain financial institutions) shall have effect.

## **7 Accounts**

- (1) The Bank shall keep proper accounts and records in relation to the accounts.
- (2) The Bank shall prepare for each of its financial years a statement of accounts consisting of –
  - (a) a balance sheet as at the last day of the year, and
  - (b) a profit and loss account.
- (3) In preparing accounts under subsection (2), the Bank shall be subject to requirements corresponding to the relevant Companies Act requirements, except insofar as the accounts relate to the Issue Department.
- (4) The Bank may disregard a requirement to which it is subject under subsection (3) to the extent that it considers it appropriate to do so having regard to its functions.
- (5) The Bank shall appoint an auditor or auditors to audit its accounts, including any statement under subsection (2).
- (6) As soon as practicable after receiving the report of its auditors on a statement prepared under subsection (2), the Bank shall send a copy of –
  - (a) the report, and
  - (b) the statement,to the Chancellor of the Exchequer.
- (7) The Treasury may by notice in writing to the Bank require it to publish in such manner as it thinks fit such additional information relating to its accounts as the Treasury may specify in the notice, including information which the Bank has excluded under subsection (4) from a statement under subsection (2).

(8) The Treasury shall consult the Bank before giving a notice under subsection (7).

(9) In subsection (3), the reference to the relevant Companies Act requirements is to the requirements to which the directors of a company which is a banking company for the purposes of [the Companies Act 2006] are for the time being subject under that Act [(except sections 412 and 413 (directors' benefits))] in relation to the preparation of accounts under [section 394] of that Act.

*Square-bracketed wording introduced by Articles 3(1)(b) and 6 and Schedule 1, Part 2, para 205(1) of The Companies Act 2006 (Consequential Amendments etc) Order 2008 (SI 2008 No.948). By virtue of the transitional provisions and savings in (i) the aforementioned Order (in particular in Articles 6 and 12) and (ii) The Companies Act 2006 (Commencement No. 5, Transitional Provisions and Savings) Order 2007 (SI 2007 No.3495) (in particular in Article 9 and Schedule 4, para 6), the new provisions apply to accounts for financial years beginning on or after 6 April 2008.*

## **8 Payments in lieu of dividends**

(1) In section 1 of the Bank of England Act 1946, in subsection (4), of dividends (amount payable to Treasury in lieu of dividends on Bank stock), for the words from “the sum” to the end there is substituted “a sum equal to 25 per cent. of the Bank’s net profits for its previous financial year, or such other sum as the Treasury and the Bank may agree.”

(2) In that section, at the end there is inserted –

“(6) In subsection (4) of this section, the reference to the Bank’s net profits for its previous financial year is to the profits shown in the audited accounts for that year less the amount of the tax charge so shown.”

(3) In Schedule 1 to that Act (supplemental provisions), after paragraph 11 there is inserted –

“11 A – (1) If, when a payment falls to be made under section 1(4) of this Act, the Bank’s accounts for the previous financial year have not been audited, the payment shall be made on the basis of the Bank’s estimate of the relevant amounts.

(2) If an amount estimated under sub-paragraph (1) of this paragraph differs from the amount shown in the audited accounts, an appropriate adjustment shall be made to the next payment under section 1(4) of this Act to be made after the difference becomes apparent.”

(4) In that Schedule, for paragraph 14 there is substituted –

“14. Any sum paid by the Bank to the Treasury in lieu of dividends shall be allowed as a deduction in assessing the Bank to corporation tax for the accounting period by reference to which the payment is calculated.”

## ***Supplementary***

### **9 Consequential amendments**

- (1) In section 14 of the National Debt Reduction Act 1786 and section 32 of the Life Annuities Act 1808, for “deputy governor” there is substituted “deputy governors”.
- (2) In section 55 of the National Debt Act 1870, the first reference to the Deputy Governor of the Bank of England shall be treated as a reference to a Deputy Governor of the Bank of England.

*The reference has since been amended by the Government Stock (Consequential and Transitional Provision) (No 2) Order 2004 (SI 2004 No 1662), Article 2 and the Schedule, para 3(7).*

- (3) In section 3(3) of the Bank of England Act 1946, after “this Act” there is inserted “and the Bank of England Act 1998”.

## **PART II**

### **MONETARY POLICY**

#### ***Role of the Bank***

### **10 Operational responsibility**

In section 4(1) of the Bank of England Act 1946 (power of the Treasury to give directions to the Bank), at the end there is inserted “, except in relation to monetary policy”.

### **11 Objectives**

In relation to monetary policy, the objectives of the Bank of England shall be –

- (a) to maintain price stability, and
- (b) subject to that, to support the economic policy of Her Majesty’s Government, including its objectives for growth and employment.

### **12 Specifications of matters relevant to objectives**

- (1) The Treasury may by notice in writing to the Bank specify for the purposes of section 11 –
- (a) what price stability is to be taken to consist of, or
  - (b) what the economic policy of Her Majesty’s Government is to be taken to be.
- (2) The Treasury shall specify under subsection (1) both of the matters mentioned there –



(a) before the end of the period of 7 days beginning with the day on which this Act comes into force, and

(b) at least once in every period of 12 months beginning on the anniversary of the day on which this Act comes into force.

(3) Where the Treasury give notice under this section they shall –

(a) publish the notice in such manner as they think fit, and

(b) lay a copy of it before Parliament.

### ***Monetary Policy Committee of the Bank***

## **13 Monetary Policy Committee**

(1) There shall be a committee of the Bank, to be known as the Monetary Policy Committee of the Bank of England, which shall have responsibility within the Bank for formulating monetary policy.

(2) The Committee shall consist of –

(a) the Governor and Deputy Governors of the Bank,

(b) 2 members appointed by the Governor of the Bank after consultation with the Chancellor of the Exchequer, and

(c) 4 members appointed by the Chancellor of the Exchequer.

(3) Of the 2 members appointed under subsection (2)(b) –

(a) one shall be a person who has executive responsibility within the Bank for monetary policy analysis, and

(b) the other shall be a person who has executive responsibility within the Bank for monetary policy operations.

(4) The Chancellor of the Exchequer shall only appoint a person under subsection (2)(c) if he is satisfied that the person has knowledge or experience which is likely to be relevant to the Committee's functions.

(5) Schedule 3 shall have effect with respect to the Committee.

## **14 Publication of statements about decisions**

(1) As soon as practicable after each meeting of the Monetary Policy Committee, the Bank shall publish a statement as to whether it was decided at the meeting that the Bank should

take any action, other than action by way of intervening in financial markets, for the purpose of meeting its objectives under section 11 and, if it was, what the action is.

(2) If, at any meeting, the Committee decides that the Bank should intervene in financial markets, it shall also consider at the meeting whether immediate publication of the decision would be likely to impede or frustrate the achievement of the intervention's purpose.

(3) If the Committee decides under subsection (2) that immediate publication of a decision would not have the effect mentioned there, the Bank shall, when it publishes a statement under subsection (1) about the meeting, publish a statement as to what action by way of intervening in financial markets the Committee has decided the Bank should take.

(4) If the Committee decides under subsection (2) that immediate publication of a decision would have the effect mentioned there, it shall keep under consideration the question of whether publication of the decision would still have that effect.

(5) As soon as practicable after the Committee has decided that publication of a decision which has not been the subject of a statement under subsection (3) would no longer have the effect mentioned in subsection (2), the Bank shall publish a statement as to what action by way of intervening in financial markets the Committee decided the Bank should take and when the decision was made.

(6) Publication under this section shall be in such manner as the Bank thinks fit. **15**

### **Publication of minutes of meetings**

(1) After each meeting of the Monetary Policy Committee, the Bank shall publish minutes of the meeting before the end of the period of 6 weeks beginning with the day of the meeting.

(2) Subsection (1) shall not apply to minutes of any proceedings relating to –

(a) a decision to intervene in financial markets, or

(b) a decision about the publication of a decision to intervene in financial markets,

unless the Committee has decided that publication of the decision to intervene would not be likely, or would no longer be likely, to impede or frustrate the achievement of the intervention's purpose.

(3) Minutes of proceedings relating to –

(a) a decision to intervene in financial markets, or

(b) a decision about the publication of a decision to intervene in financial markets, shall, if not required to be published before the end of the period of 6 weeks beginning with the day of the meeting be published by the Bank before the end of the period of 6 weeks beginning with the day on which a statement about the decision to intervene is published under section 14(5).

(4) Minutes published under this section shall record, in relation to any decision of the Committee, the voting preference of the members who took part in the vote on the decision.

(5) Publication under this section shall be in such manner as the Bank thinks fit.

## **16 Functions of court of directors**

(1) The court of directors of the Bank shall keep the procedures followed by the Monetary Policy Committee under review.

(2) In particular, the court's function under subsection (1) shall include determining whether the Committee has collected the regional, sectoral and other information necessary for the purposes of formulating monetary policy.

(3) The court's function under subsection (1) shall stand delegated to the sub-committee constituted by section 3.

## ***Information and reports***

## **17 Power to obtain information**

(1) The Bank may by notice in writing require an undertaking to which this section applies to provide the Bank with such information as may be specified in the notice, being information about the relevant financial affairs of the undertaking which the Bank considers it necessary or expedient to have for the purposes of its functions under this Part.

(2) A notice under subsection (1) may require information to be provided –

(a) in such form or manner as may be specified in the notice;

(b) at such time or times as may be so specified;

(c) in relation to such period or periods as may be so specified. [(3)]

An undertaking is one to which this section applies if –

(a) it has a place of business in the United Kingdom; and

(b) it falls within subsection (3A), (3B), (3C) or (3D).

(3A) An undertaking falls within this subsection if it is a deposit-taker.

(3B) An undertaking falls within this subsection if it is not a deposit-taker but it –

(a) falls within the subsector “other monetary financial institution”, as defined by paragraph 2.48 of Annex A to Council Regulation (EC) No.2223/96,

(b) carries on a business of granting credits secured on land used for residential purposes,

(c) has issued a debt security, or

(d) has acted as an agent in connection with arranging or managing the issue of a debt security.

(3C) An undertaking falls within this subsection if it is a financial holding company.

(3D) An undertaking falls within this subsection if it is not a deposit-taker but continues to have a liability in respect of a deposit which was held by it in accordance with the Banking Act 1979 or the Banking Act 1987 or a permission under Part 4 of the Financial Services and Markets Act 2000.]

*Previous wording in section 17(3) replaced by (and new subsections (3) to (3D) introduced by) article 161(2) of The Financial Services and Markets Act 2000 (Consequential Amendments and Repeals) Order 2001 (SI 2001 No.3649), which came into force on 1 December 2001.*

(4) The Treasury may by order provide which financial affairs of an undertaking are relevant for the purposes of this section, and may make different provision for different undertakings or classes of undertaking.

(5) The Treasury may by order amend [subsections (3) to (3D)].

*Words added by article 161(3) of SI 2001 No.3649.*

(6) Before making an order under this section, the Treasury shall consult –

(a) the Bank,

(b) the [Statistics Board],

(c) such persons as appear to them to be representative of persons likely to be materially affected by the order, and

(d) such other persons as they consider appropriate.

*The reference to the Statistics Board was introduced by section 60(1) and Schedule 3, para 10 of the Statistics and Registration Service Act 2007, which came into force on 1 April 2008 by virtue of The Statistics and Registration Service Act 2007 (Commencement No. 2 and Transitional Provision) Order 2008 (SI 2008 No.839).*

[(7) “Deposit-taker” means –

(a) a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits; or

(b) an EEA firm of the kind mentioned in paragraph 5(b) or (c) of Schedule 3 to that Act which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12(1) of that Schedule) to accept deposits or other repayable funds.

(7A) “Debt security” means any instrument creating or acknowledging indebtedness (including a government or public security).

*See also paragraph 8(2)(g) of Schedule 2 to The Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003 (SI 2003 No.1633).*

(7B) Subsections (7) and (7A) must be read with –

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.

[(7C) “Financial holding company” has the meaning given by Article 4(19) of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions.]

(7D) “Undertaking” has the meaning given by [section 1161(1) of the Companies Act 2006].

*Previous wording in section 17(7) replaced by (and new subsections (7) to (7D) introduced by) article 161(4) of SI 2001 No.3649, which came into force on 1 December 2001.*

*New section 17(7C) introduced by Regulation 29(2) and paragraph 4 of Schedule 4 of The Capital Requirements Regulations 2006 (SI 2006 No.3221), which came into force on 1 January 2007.*

*The reference in section 17(7D) to section 1161(1) of the Companies Act 2006 was introduced by Articles 3(1)(b) and 6 and Schedule 1, Part 2, para 205(2) of The Companies Act 2006 (Consequential Amendments etc) Order 2008 (SI 2008 No.948), which came into force on 6 April 2008 by Articles 2(2) and 12 of the same Order.*

## **18 Reports**

(1) The Bank shall prepare and publish reports in accordance with the provisions of this section.

(2) A report under this section shall contain –

- (a) a review of the monetary policy decisions published by the Bank in the period to which the report relates,
- (b) an assessment of the developments in inflation in the economy of the United Kingdom in the period to which the report relates, and
- (c) an indication of the expected approach to meeting the Bank’s objectives under section 11.

(3) A report under this section shall relate to – (a) a  
period of 3 months, or

- (b) such other period as the Treasury and the Monetary Policy Committee may agree.
- (4) Periods to which reports under this section relate shall be successive, the first such period commencing on such day within the period of 3 months ending with the day on which this Act comes into force as the Treasury shall, after consultation with the Bank, specify in writing to it.
- (5) No report under this section shall be published without the approval of the Monetary Policy Committee.
- (6) A report under this section shall be published as soon as practicable after the end of the period to which it relates and in such manner as the Bank thinks fit.

### ***Treasury's reserve powers***

## **19 Reserve powers**

- (1) The Treasury, after consultation with the Governor of the Bank, may by order give the Bank directions with respect to monetary policy if they are satisfied that the directions are required in the public interest and by extreme economic circumstances.
- (2) An order under this section may include such consequential modifications of the provisions of this Part relating to the Monetary Policy Committee as the Treasury think fit.
- (3) A statutory instrument containing an order under this section shall be laid before Parliament after being made.
- (4) Unless an order under this section is approved by resolution of each House of Parliament before the end of the period of 28 days beginning with the day on which it is made, it shall cease to have effect at the end of that period.
- (5) In reckoning the period of 28 days for the purposes of subsection (4), no account shall be taken of any time during which Parliament is dissolved or prorogued or during which either House is adjourned for more than 4 days.
- (6) An order under this section which does not cease to have effect before the end of the period of 3 months beginning with the day on which it is made shall cease to have effect at the end of that period.
- (7) While an order under this section has effect, section 11 shall not have effect.

### ***Supplementary***

## **20 Interpretation of Part II**

In this Part, “the Monetary Policy Committee” means the Monetary Policy Committee of the Bank of England.

## PART III

### TRANSFER OF SUPERVISORY FUNCTIONS OF THE BANK TO THE FINANCIAL SERVICES AUTHORITY

*Sections 21 to 30 are not reproduced in this booklet. Sections 21(a)(i) and (ii), (b) and (c), section 23(1)(in part) and sections 25 to 29 were repealed by article 162 of SI 2001 No.3649.*

## PART IV

### MISCELLANEOUS AND GENERAL

*Sections 33 and 34 are not reproduced in this booklet. Sections 31, 32 and 36 were repealed by article 162 of SI 2001 No.3649. Section 35 was repealed by Articles 3(2) and Schedule 2 of The Companies Act 2006 (Consequential Amendments etc) Order 2008 (SI 2008 No.948), which came into force on 6 April 2008 by Articles 2(2) and 12 of the same Order.*

#### ***General***

#### **37 Restriction on disclosure of information**

Schedule 7 (which restricts the disclosure of information obtained for monetary policy or cash ratio deposit purposes) shall have effect.

#### **38 Offences in relation to supplying information to the Bank**

(1) A person who fails without reasonable excuse to comply with any requirement imposed on him under section 17(1) or paragraph 9 of Schedule 2 shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale.

(2) If after conviction of an offence under subsection (1) a person continues the failure for which he was convicted, he shall be guilty of a further offence under that subsection and liable on summary conviction to be punished accordingly.

(3) A person who in purported compliance with a requirement imposed on him under section 17(1) or paragraph 9 of Schedule 2 provides information which he knows to be false or misleading in a material particular, or recklessly provides information which is false or misleading in a material particular, shall be guilty of an offence and liable –

(a) on conviction on indictment, to imprisonment for a term not exceeding 2 years, or to a fine, or to both, or

(b) on summary conviction, to imprisonment for a term not exceeding 3 months, or to a fine not exceeding the statutory maximum, or to both.

## **39 Offences by bodies corporate**

(1) Where an offence under this Part committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he, as well as the body corporate, shall be guilty of that offence and be liable to be proceeded against and punished accordingly.

(2) Where the affairs of a body corporate are managed by its members, subsection (1) shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

## **40 Orders**

(1) Any power of the Treasury to make an order under this Act shall be exercisable by statutory instrument.

(2) An order under –

section 17(4) or (5),

paragraph 1(2) or 5 of Schedule 2, or

paragraph 3(2) of Schedule 7,

shall not be made unless a draft of the order has been laid before and approved by resolution of each House of Parliament.

(3) A statutory instrument containing an order under –

section 23(2),

paragraph 2(2) or 8 of Schedule 2,

paragraph 1(5) of Schedule 4, or

paragraph 3(3) of Schedule 7,

shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(4) A statutory instrument containing an order under section 33 shall be subject to annulment in pursuance of a resolution of the House of Commons.

(5) Section 19 contains its own provisions about parliamentary procedure in relation to an order under that section.



## **41 General interpretation**

In this Act, “the Bank” means the Bank of England.

## **42 Transitional provisions and savings**

Schedule 8 (transitional provisions and savings) shall have effect.

## **43 Repeals**

The enactments and instruments specified in Schedule 9 are hereby repealed or revoked to the extent specified in the final column of that Schedule.

### ***Final provisions***

## **44 Extent**

- (1) This Act extends to Northern Ireland.
- (2) Section 33 extends to the Channel Islands and the Isle of Man.
- (3) The extent of any amendment, repeal or revocation by this Act is the same as that of the enactment amended, repealed or revoked.

## **45 Commencement**

This Act shall come into force on such day as the Treasury may by order appoint.

*Pursuant to SI 1998 No.1120 the Act came into force on 1 June 1998.*

## **46 Short title**

This Act may be cited as the Bank of England Act 1998.

## **SCHEDULES**

### **SCHEDULE 1**

#### **COURT OF DIRECTORS**

##### ***Terms of office***

- 1. -(1) Appointment as Governor or Deputy Governor of the Bank shall be for a period of 5 years.
- (2) A person appointed as Governor or Deputy Governor of the Bank shall work exclusively for the Bank.

[(3) A person may not be appointed as Governor more than twice.

(4) A person may not be appointed as Deputy Governor more than twice.]

*New paragraphs 1(3) and (4) introduced by section 243(1) of the Banking Act 2009, which came into force on 1 June 2009.*

2. Appointment as director of the Bank shall be for a period of 3 years, except that initially some appointments may be for shorter and different periods so as to secure that appointments expire at different times.

3. A person appointed as director of the Bank in place of a person who ceased to hold office before the end of the term for which he was appointed shall be appointed for the remainder of that person's term of office.

4. A person appointed as Governor, Deputy Governor or director of the Bank may resign his office by written notice to the Bank.

### ***Qualification for appointment***

5. -(1) A person is disqualified for appointment as Governor, Deputy Governor or director of the Bank if he is a Minister of the Crown or a person serving in a government department in employment in respect of which remuneration is payable out of money provided by Parliament.

(2) A person is disqualified for appointment as director of the Bank if he is a servant of the Bank.

6. The fact that a person has held office as Governor, Deputy Governor or director of the Bank does not disqualify him for re-appointment to that office or for appointment to any other of those offices [(subject to paragraph 1(3) and (4))].

*Square bracketed wording in paragraph 6 introduced by section 243(2) of the Banking Act 2009, which came into force on 1 June 2009.*

### ***Removal from office***

7. -(1) A person appointed as Governor or Deputy Governor of the Bank shall vacate office if he becomes a person to whom paragraph 5(1) applies.

(2) A person appointed as director of the Bank shall vacate office if he becomes a person to whom paragraph 5(1) or (2) applies.

8. The Bank may, with the consent of the Chancellor of the Exchequer, remove a person from office as Governor, Deputy Governor or director of the Bank if it is satisfied –

(a) that he has been absent from meetings of the court for more than 3 months without the consent of the court,

- (b) that he has become bankrupt, that his estate has been sequestrated or that he has made an arrangement with or granted a trust deed for his creditors, or
- (c) that he is unable or unfit to discharge his functions as a member.

### **Powers**

- 9. The court may act notwithstanding the existence of one or more vacancies among its members.
- 10. The court may appoint such sub-committees as it thinks fit.
- 11. The court may delegate such duties and powers as it thinks fit to –
  - (a) a member of the court.
  - (b) any officer, servant or agent of the Bank,
  - (c) sub-committee consisting of –
    - (i) members of the court, or
    - (ii) one or more members of the court and one or more of the officers, servants and agents of the Bank.

### **Meetings**

- 12. -(1) The court shall meet at least [7 times in each calendar year].
- [(2) Either of the following may summon a meeting at any time on giving such notice as the circumstances appear to require –
  - (a) the Governor of the Bank (or in his absence a Deputy Governor), and
  - (b) the chair of the court.]

*Previous wording in paragraphs 12(1) and 12(2) amended, and square bracketed wording substituted by sections 240(1), 240(2) and 240(3) of the Banking Act 2009, which came into force on 1 June 2009.*

### **Proceedings**

- 13. -(1) At a meeting of the court, the proceedings shall be regulated as follows.
- (2) [...]

*Wording in paragraph 13(2) repealed by sections 242(1) and 242(3)(a) of the Banking Act 2009, which came into force on 1 June 2009.*

[(3) The Chancellor of the Exchequer may designate –

- (a) a member of the court to chair its meetings (“the chair of the court”), and
- (b) one or more members of the court as deputies to chair its meetings in the absence of the chair of the court.]

*Wording in paragraph 13(3) repealed and square bracketed wording substituted by section 241(1) of the Banking Act 2009, which came into force on 1 June 2009.*

(4) If a member of the court has any direct or indirect interest in any dealing or business with the Bank –

- (a) he shall disclose his interest to the court at the time of the dealing or business being negotiated or transacted, and
- (b) he shall have no vote in relation to the dealing or business, unless the court has resolved that the interest does not give rise to a conflict of interest.

(5) A member of the court shall have no vote in relation to any question arising which touches or concerns him but shall withdraw and be absent during the debate of any matter in which he is concerned.

(6) Subject to sub-paragraphs [(3)] to (5), the court shall determine its own procedure [(including quorum)].

*Previous wording in paragraph 13(6) replaced by (and new square bracketed wording introduced by) sections 242(3)(b) and 242(3)(c) respectively of the Banking Act 2009, which came into force on 1 June 2009.*

### **Remuneration**

14. –(1) A person appointed as Governor or Deputy Governor of the Bank shall be entitled to be paid by the Bank such remuneration as it may determine.

(2) The Bank may pay, or create and maintain a fund for the payment of, pensions or capital grants to members, or former members, of the court who have rendered exclusive services to the Bank.

15. A director of the Bank shall be entitled to be paid by the Bank such remuneration as the Bank may determine with the approval of the Chancellor of the Exchequer.

## SCHEDULE 2

### CASH RATIO DEPOSITS

#### *Eligible institutions*

1. [-(1) Each deposit-taker is an eligible institution for the purposes of this Schedule.

(1A) “Deposit-taker” has the meaning given in section 17, except that it does not include –

(a) a credit union;

(b) a friendly society;

(c) a person who has permission to accept deposits under Part 4 of the Financial Services and Markets Act 2000 only in the course of effecting or carrying out contracts of insurance in accordance with that permission; or

(d) an EEA firm of the kind mentioned in paragraph 5(c) of Schedule 3 to that Act.

(1B) “Credit union” has the meaning given –

(a) by the Credit Unions Act 1979; or

(b) in Northern Ireland, by the Credit Unions (Northern Ireland) Order 1985.

(1C) “Friendly society” means –

(a) a society which is registered within the meaning of the Friendly Societies Act 1974; or

(b) a society incorporated under the Friendly Societies Act 1992.]

*Previous wording in paragraph 1(1) replaced by (and new sub-paragraphs (1) to (1C) introduced by) article 163(1) of SI 2001 No.3649.*

(2) The Treasury may by order amend [sub-paragraphs (1) to (1C).]

*Words added by article 163(2) of SI 2001 No.3649.*

#### *Liability base*

2. -(1) For the purposes of this Schedule, the liability base of an eligible institution at any time is the aggregate of those sterling and foreign currency liabilities of the institution which are eligible liabilities.

(2) The Treasury may by order define eligible liabilities for the purposes of this paragraph and make provision about the calculation of any description of eligible liability, including provision for the amount of a liability of any description to be treated as reduced by the amount of an asset of any description.

### ***Call notices***

3. -(1) The Bank may give an eligible institution notice under this paragraph.

(2) Notice under this paragraph (“a call notice”) shall be in writing and shall specify –

(a) the period to which it relates, and

(b) the amount which, in relation to that period, is the institution’s depositable amount.

(3) The period to be specified under sub-paragraph (2)(a) –

(a) shall be a period of 6 months beginning at least 4 working days after the date of the notice, and

(b) shall not include any part of a period specified in a previous call notice given to the institution concerned.

### ***Calculation of depositable amount***

4. -(1) In the case of any call notice, the amount to be specified under paragraph 3(2)(b) is the amount, or, as the case may be, the sum of the amounts, produced by multiplying so much of the institution’s average liability base for the reference period as falls into each value band by the ratio applicable to that band.

(2) The Bank may use such method to calculate an institution’s average liability base for the purposes of this paragraph as it thinks fit, and may use different methods for different institutions.

(3) For the purposes of this paragraph, value bands and the ratios applicable to them are such as may be specified under paragraph 5.

### ***Value bands and applicable ratios***

5. The Treasury may by order specify for the purposes of paragraph 4 value bands and the ratios applicable to them.

### ***Effect of call notice***

6. -(1) Where the Bank has given an eligible institution a call notice, then, if at any time in the period to which the notice relates the following conditions are met, namely –

(a) the institution is an eligible institution, and

(b) the institution does not have on deposit in the appropriate account with the Bank the amount specified in the notice as its depositable amount in relation to that period,

the Bank may by notice in writing require the institution to make a payment in lieu of deposit.

(2) A notice under subparagraph (1) shall specify what period it covers, and the period specified must –

(a) fall within the period to which the call notice relates, and

(b) be a period throughout which the conditions mentioned in sub-paragraph (1) have been met.

(3) The amount which the Bank may by a notice under sub-paragraph (1) require an institution to pay is an amount equal to interest for the period covered by the notice, at 4% over the benchmark rate, on the average shortfall during that period.

(4) The Bank may use such method to calculate the average shortfall as it thinks fit.

(5) In sub-paragraph (1)(b), the reference to the appropriate account, in relation to an eligible institution, is to such account of the institution with the Bank as is designated by the Bank for the purposes of this Schedule.

(6) For the purposes of sub-paragraph (3), the shortfall, at any time, is the amount which the institution needs to deposit to prevent the condition mentioned in sub-paragraph (1)(b) applying.

### ***Benchmark rate of interest***

7. -(1) The benchmark rate of interest for the purposes of paragraph 6(3) shall be determined as follows.

(2) First, determine a rate of interest for each working day of the period covered by the notice under paragraph 6(1) by taking the average of the rates at which 3 month deposits in sterling are bid at 11.00 am on the day by the 5 eligible institutions having in the opinion of the Bank the largest eligible liabilities at the end of the reference period for the relevant call notice.

(3) Second, determine an average rate of interest by reference to the rates determined in accordance with sub-paragraph (2), the average rate so determined being the benchmark rate.

(4) In sub-paragraph (2), the reference to the relevant call notice is to the call notice by virtue of which the Bank is entitled to give the notice under paragraph 6(1).

8. The Treasury may by order amend or replace paragraph 7.

### ***Power to obtain information***

9. -(1) The Bank may by notice in writing require an eligible institution to provide the Bank with such information as may be specified in the notice, being information which the Bank considers it necessary or expedient to have for the purposes of its functions under this Schedule.

(2) A notice under sub-paragraph (1) may require information to be provided –

- (a) in such form or manner as may be specified in the notice;
- (b) at such time or times as may be so specified;
- (c) in relation to such period or periods as may be so specified.

### ***Orders***

10. Before making an order under this Schedule, the Treasury shall consult –

- (a) the Bank,
- (b) such persons as appear to them to be representative of persons likely to be materially affected by the order, and
- (c) such other persons as they think fit.

11. In exercising the power to make orders under paragraph 2(2) or 5, the Treasury shall have regard to the financial needs of the Bank.

### ***Interpretation***

12. In this Schedule –

“reference period”, in relation to a call notice, means the period of 6 months ending immediately before the month in which the notice is given; and “working day” means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the United Kingdom.

### ***Modifications for new entrants***

13. -(1) In its application to the first call notice to be given to an institution or society after it becomes an eligible institution, this Schedule shall have effect with the following modifications.

(2) In paragraph 3(3)(a), after “period of” there is inserted “not more than”.



(3) In paragraph 7(2), for “the end of the reference period for the relevant call notice” there is substituted “such time before the beginning of the period to which the relevant call notice relates as the Bank thinks fit”.

(4) In paragraph 12, in the definition of “reference period”, for the words from “the period” to the end there is substituted “such period prior to the notice as the Bank thinks fit”.

### **SCHEDULE 3**

#### **MONETARY POLICY COMMITTEE**

##### ***Terms of appointed members***

1. Appointment as a member of the Committee under section 13(2)(b) or (c) shall be for a period of 3 years, except that initially some appointments may be for shorter and different periods so as to secure that appointments expire at different times.

2. A person appointed under section 13(2)(b) or (c) in place of a person who ceased to hold office before the end of the term for which he was appointed shall be appointed for the remainder of that person’s term of office.

[2A A person may not be appointed as a member of the Committee under section 13(2)(c) more than twice.]

*New paragraph 2A introduced by section 243(3) of the Banking Act 2009, which came into force on 1 June 2009.*

3. A person appointed under section 13(2)(b) or (c) may resign his office by written notice to the Bank.

4. -(1) A person who holds office as a member of the Committee under section 13(2)(c) shall be a servant of the Bank.

(2) The terms and conditions of service under sub-paragraph (1) shall be such as the Bank may determine.

(3) The function of determining terms and conditions of service under sub-paragraph (2) shall stand delegated to the sub-committee constituted by section 3.

##### ***Qualification for appointment***

5. A person is disqualified for appointment under section 13(2)(b) or (c) if –

(a) he is a Minister of the Crown, or a person serving in a government department in employment in respect of which remuneration is payable out of money provided by Parliament, or

(b) he is a member of the court of directors of the Bank.

6. The fact that a person has held office under section 13(2)(b) or (c) does not disqualify him for further appointment to such office [(subject to paragraph 2A)].

*Square bracketed wording in paragraph 6 introduced by 243(4) of the Banking Act 2009, which came into force on 1 June 2009.*

### ***Removal of appointed members***

7. A person appointed under section 13(2)(b) or (c) shall vacate office if he becomes a person to whom paragraph 5(a) or (b) applies.

8. A person appointed under section 13(2)(b) shall vacate office if he ceases to have executive responsibility within the Bank for monetary policy analysis or, as the case may be, monetary policy operations.

9. -(1) The Bank may with the consent of the Chancellor of the Exchequer, remove a member appointed under section 13(2)(b) or (c) if it is satisfied –

(a) that he has been absent from the Committee's meetings for more than 3 months without the Committee's consent,

(b) that he has become bankrupt, that his estate has been sequestrated or that he has made an arrangement with or granted a trust deed for his creditors, or

(c) that he is unable or unfit to discharge his functions as a member.

(2) The function of removing a member under sub-paragraph (1) shall stand delegated to the sub-committee constituted by section 3.

### ***Meetings***

10. -(1) The Committee shall meet at least once a month.

(2) The Governor of the Bank (or in his absence the Deputy Governor of the Bank with executive responsibility for monetary policy) may summon a meeting at any time on giving such notice as in his judgment the circumstances may require.

### ***Proceedings***

11. -(1) At a meeting of the Committee, the proceedings shall be regulated as follows.

(2) The quorum shall be 6, of whom 2 must hold office as Governor or Deputy Governor of the Bank.

(3) The chair shall be taken by the Governor of the Bank or, if he is not present, the Deputy Governor of the Bank with executive responsibility for monetary policy.

(4) Decisions shall be taken by a vote of all those members present at the meeting.

- (5) In the event of a tie, the chairman shall have a second casting vote.
- (6) Subject to sub-paragraphs (2) to (5), the Committee shall determine its own procedure.
12. The Committee may, in relation to sub-paragraph (2), (3) or (4) of paragraph 11, determine circumstances in which a member who is not present at, but is in communication with, a meeting, is to be treated for the purposes of that sub-paragraph as present at it.
13. A representative of the Treasury may attend, and speak at, any meeting of the Committee.

### ***Report to court of directors of the Bank***

14. The Committee shall submit a monthly report on its activities to the court of directors of the Bank.

### ***Parliamentary disqualification***

15. In Part III of Schedule I to the House of Commons Disqualification Act 1975 (other disqualifying offices), there is inserted at the appropriate place

“Member of the Monetary Policy Committee of the Bank of England appointed under section 13(2)(b) or (c) of the Bank of England Act 1998;”

and a corresponding amendment is made in Part III of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975.

## **SCHEDULE 4**

### **TRANSFER OF FUNCTIONS: SUPPLEMENTARY PROVISIONS**

*Schedule 4 has not been reproduced in this booklet.*

## **SCHEDULE 5**

### **TRANSFER OF FUNCTIONS: CONSEQUENTIAL AMENDMENTS**

*Schedule 5 has not been reproduced in this booklet. Paragraphs 1 to 35, 39, 44, 45, 47, 52 to 59, 61, 65, 66 and 68 were repealed by article 162 of SI 2001 No.3649. Para 62 was repealed by the Companies (Audit, Investigations and Community Enterprise) Act 2004, section 64 and Schedule 8. Para 63 will be repealed by Art 2 and Sch 2 of The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (SI 2009 No 1941), which comes into force on 1 October 2009. Para 71 was repealed by the Pensions Act 2004, section 320 and Schedule 13.*

*Schedule 6 (Banking Supervision Fees) was repealed by article 162 of SI 2001 No.3649.*

## **SCHEDULE 7**

### **RESTRICTION ON DISCLOSURE OF INFORMATION**

#### ***Restricted information***

1. -(1) Subject to sub-paragraph (2), information is restricted information for the purposes of this paragraph if –

(a) it is obtained by the Bank by virtue of the power conferred by section 17(1) or paragraph 9 of Schedule 2 (whether or not it was obtained pursuant to a notice under that provision), and

(b) it relates to the business or other affairs of any person.

(2) Information is not restricted information for the purposes of this paragraph if –

(a) it has been made available to the public from other sources, or

(b) it is in the form of a summary or collection of information so framed as not to enable information relating to any particular person to be ascertained from it.

(3) Except as permitted by the following provisions of this Schedule, restricted information shall not be disclosed by –

(a) the Bank or any officer or servant of the Bank, or

(b) any person obtaining the information directly or indirectly from the Bank,

without the consent of the person from whom the Bank obtained the information and, if different, the person to whom the information relates.

(4) Any person who discloses information in contravention of this paragraph shall be guilty of an offence and liable –

(a) on conviction on indictment, to imprisonment for a term not exceeding 2 years, or to a fine, or to both;

(b) on summary conviction, to imprisonment for a term not exceeding 3 months, or to a fine not exceeding the statutory maximum, or to both.

#### ***Disclosure for the purposes of the Bank's functions***

2. -(1) Paragraph 1 does not preclude the disclosure of information in any case in which disclosure is for the purpose of enabling or assisting the Bank to discharge –

(a) its functions as a monetary authority,

- (b) its functions as a supervisor of systems for the transfer of funds between credit institutions and their customers, or
- (c) its functions under Schedule 2.

[(2) “Credit institution” means an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account.]

*Previous wording in paragraph 2(2) replaced by article 164(2) of SI 2001 No.3649.*

### ***Disclosure by the Bank to other authorities***

3. -(1) Paragraph 1 does not preclude the disclosure by the Bank of information to any authority specified in the first column of the following Table if the Bank considers that the disclosure would enable or assist that authority to discharge any of the functions specified in relation to it in the second column of that Table.

**TABLE**

<b><i>Authority</i></b>	<b><i>Functions</i></b>
[The Treasury.	Functions under the Financial Services and Markets Act 2000.
The Secretary of State.	Functions under the Financial Services and Markets Act 2000.
An inspector appointed under Part 14 of the Companies Act 1985 [ <i>or Part 15 of the Companies (Northern Ireland) Order 1986</i> ].	Functions under that Part.
A person authorised to exercise powers or appointed under section 447 of the Companies Act 1985 [, <i>Article 440 of the Companies (Northern Ireland) Order 1986</i> ] or section 84 of the Companies Act 1989.	Functions under that section [ <i>or Article</i> ].
A person appointed under – (a) section 167 of the Financial Services and Markets Act 2000, (b) subsection (3) or (5) of section 168 of that Act, or (c) section 284 of that Act, to conduct an investigation.	Functions in relation to that investigation.

The Financial Services Authority.	Functions under the legislation relating to friendly societies, the Building Societies Act 1986, Part 7 of the Companies Act 1989 or the Financial Services and Markets Act 2000.
The competent authority for the purposes of Part 6 of the Financial Services and Markets Act 2000.	Functions under that Part.
[The Chancellor of the Exchequer (or any person to whom any functions of the Chancellor of the Exchequer under the Statistics of Trade Act 1947 are delegated)]	Functions under the Statistics of Trade Act 1947.
[The Pensions Regulator.	Functions conferred by or by virtue of – (a) the Pension Schemes Act 1993, (b) the Pensions Act 1995, (c) the Welfare Reform and Pensions Act 1999, (d) the Pensions Act 2004, or (e) any enactment in force in Northern Ireland corresponding to an enactment mentioned in paragraphs (a) to (d) above.]]

*Previous Table in paragraph 3(1) replaced by article 164(3) of SI 2001 No.3649.*

*Square-bracketed wording in the third and fourth entries above (relating to inspectors appointed under Part 14 of the Companies Act 1985 and persons authorised to exercise powers under section 447 of that Act) will be repealed by Art 2 and Sch 1, para 172 of The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (SI 2009 No 1941), which comes into force on 1 October 2009.*

*The reference to The Chancellor of the Exchequer (or any person to whom any functions of the Chancellor of the Exchequer under the Statistics of Trade Act 1947 are delegated) was introduced by section 46 and Schedule 2, para 7 of the Statistics and Registration Service Act 2007, which came into force on 1 April 2008 by virtue of The Statistics and Registration Service Act 2007 (Commencement No. 2 and Transitional Provision) Order 2008 (SI 2008 No.839).*

*The reference to the Pensions Regulator was introduced by section 319(1) and Schedule 12, para 70 of the Pensions Act 2004, which came into force on 6 April 2005.*

(2) The Treasury may by order amend the Table in sub-paragraph (1) by –

- (a) adding any public or other authority and specifying functions in relation to it,
- (b) removing any authority for the time being specified in the Table, or
- (c) altering the functions for the time being specified in the Table in relation to any authority.

- (3) The Treasury may by order restrict the circumstances in which, or impose conditions subject to which, disclosure is permitted in the case of any authority for the time being specified in the Table.
- (4) Before making an order under this paragraph, the Treasury shall consult the Bank.

### ***Onward disclosure***

4. -(1) Paragraph 1 does not preclude the disclosure by any authority specified in the first column of the Table in paragraph 3(1) of information obtained by it by virtue of that provision if it makes the disclosure –

(a) with the consent of the Bank, and

(b) for the purpose of enabling or assisting it to discharge any functions specified in relation to it in the second column of that Table.

(2) Before deciding whether to give its consent to disclosure under this paragraph, the Bank shall take account of such representations as the authority proposing to make the disclosure may make about the desirability of or necessity for the disclosure.

### ***Other permitted disclosures***

5. Paragraph 1 does not preclude the disclosure of information –

(a) with a view to the institution of, or otherwise for the purposes of, any proceedings in connection with a payment due under Schedule 2 (payment in lieu of cash ratio deposit),

(b) with a view to the institution of, or otherwise for the purposes of, any criminal proceedings, whether under this Act or otherwise, or

(c) in pursuance of any Community obligation.

*In relation to paragraph 5 see also section 17 and Schedule 4 of the Anti-terrorism, Crime and Security Act 2001.*

## **SCHEDULE 8**

### **TRANSITIONAL PROVISIONS AND SAVINGS**

*Paragraphs 1 to 5 and paragraph 7 of Schedule 8 were repealed by article 162 of SI 2001 No.3649. Paragraph 6 of Schedule 8 has not been reproduced in this booklet.*

## **SCHEDULE 9**

### **REPEALS AND REVOCATIONS**

*Part I (Repeals) (part of which was repealed by article 162 of SI 2001 No.3649) has not been reproduced in this booklet.*

*Part II (Revocations) was repealed by article 162 of SI 2001 No.3649.*