



Bank of England Act 1998

1998 CHAPTER 11

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.

[^{F1}(2) The court shall consist of the following directors appointed by Her Majesty—

(a) a Governor,

(b) a Deputy Governor for financial stability,

[^{F2}(ba) a Deputy Governor for markets and banking,]

(c) a Deputy Governor for monetary policy,

(d) a Deputy Governor for prudential regulation, and

(e) not more than 9 non-executive directors.]

^{F3}(3)

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

Textual Amendments

F1 S. 1(2) substituted for s. 1(2)(2A) (19.2.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#) , **ss. 1(1)** , 122(3) (with [Sch. 20](#)) ; [S.I. 2013/113](#) , art. 2(2) , [Sch. Pt. 4](#) ; [S.I. 2013/423](#) , art. 3 , [Sch.](#)

F2 S. 1(2)(ba) inserted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , **ss. 1(2)** , 41(3) (with [Sch. 3](#)) ; [S.I. 2016/627](#) , reg. 2(1)(a)

F3 S. 1(3) repealed (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , s. 122(3) , **Sch. 19** (with [Sch. 20](#)) ; [S.I. 2013/423](#) , art. 3 , [Sch.](#)

Changes to legislation: *Bank of England Act 1998, Part I is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[^{F4}1A Power to alter membership of court of directors

- (1) The Treasury, after consulting the Governor of the Bank, may by order amend the list in section 1(2) so as to—
 - (a) alter the title of a Deputy Governor;
 - (b) add a Deputy Governor to the list;
 - (c) remove a Deputy Governor from the list.
- (2) An order under subsection (1)(a) or (c) must (by making saving provision or otherwise) secure that the alteration in the title of a Deputy Governor or the removal of a Deputy Governor from the list in section 1(2) does not have effect in relation to the individual (if any) who holds that office at the time the order is made.
- (3) An order under subsection (1)(b) may also add the Deputy Governor to which the order relates to the list in—
 - (a) section 9B(1) (membership of Financial Policy Committee);
 - (b) section 13(2) (membership of Monetary Policy Committee);
 - (c) section 30A(2) (membership of Prudential Regulation Committee).
- (4) An order under subsection (1)(c) may also remove from any of those lists the Deputy Governor to which the order relates.
- (5) Where an order under subsection (1) makes an amendment mentioned in column 1 of the following table, it may also make the amendment mentioned in the corresponding entry in column 2 of the table.

<i>Addition or removal of Deputy Governors</i>	<i>Corresponding change in membership of Committee</i>
Addition of one or more Deputy Governors to the list in section 9B(1)	Equal increase in the number of members appointed by the Chancellor of the Exchequer under section 9B(1)(e)
Removal of one or more Deputy Governors from the list in section 9B(1)	Equal reduction in the number of members appointed by the Chancellor of the Exchequer under section 9B(1)(e)
Addition of one or more Deputy Governors to the list in section 13(2)	Equal reduction in the number of members appointed by the Governor of the Bank under section 13(2)(b)
Removal of one or more Deputy Governors from the list in section 13(2)	Equal increase in the number of members appointed by the Governor of the Bank under section 13(2)(b)
Addition of one or more Deputy Governors to the list in section 30A(2)	Equal increase in the minimum number of members appointed by the Chancellor of the Exchequer under section 30A(2)(g)
Removal of one or more Deputy Governors from the list in section 30A(2)	Equal reduction in the minimum number of members appointed by the Chancellor of the Exchequer under section 30A(2)(g)

- (6) The power in subsection (5)—
 - (a) to make an equal reduction in the number of members appointed under section 9B(1)(e), 13(2)(b) or 30A(2)(g), includes power to remove the power

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- to make those appointments where an equal reduction would reduce the number of members so appointed to zero,
- (b) to make an equal increase in the number of members appointed under section 9B(1)(e), 13(2)(b) or 30A(2)(g), includes power to reinstate the power to make those appointments where it has previously been removed under paragraph (a).
- (7) An order under subsection (1) may amend, repeal or revoke any provision made by or under any Act, including this Act, so as to make consequential provision.]

Textual Amendments

- F4** S. 1A inserted (6.7.2016 for specified purposes, 1.3.2017 in so far as not already in force) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), **ss. 1(3)**, 41(3) (with Sch. 3); S.I. 2016/627, reg. 2(1)(b); S.I. 2017/43, reg. 2(a)

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
- [^{F5}(a) determining the Bank's objectives (including objectives for its financial management) and strategy.]
- [^{F6}(b) the functions mentioned in section 3A(2) (the "oversight functions").]
- (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.

- [^{F7} [^{F8}(5) Subsections (2) to (4) are subject to—
- (a) section 2A (Financial Stability Objective);
- (b) section 11 (objectives in relation to monetary policy);
- (c) Part 1A of the Financial Services and Markets Act 2000 (objectives and strategy of the Prudential Regulation Authority).]]

Textual Amendments

- F5** Words in s. 2(2) renumbered as s. 2(2)(a) (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), **ss. 3(2)(a)**, 41(3) (with Sch. 3); S.I. 2016/627, reg. 2(1)(d)
- F6** S. 2(2)(b) inserted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), **ss. 3(2)(b)**, 41(3) (with Sch. 3); S.I. 2016/627, reg. 2(1)(d)
- F7** S. 2(5) added (1.6.2009) by [Banking Act 2009 \(c. 1\)](#), **ss. 238(2)**, 263(1) (with s. 247); S.I. 2009/1296, art. 2, Sch. para. 1
- F8** S. 2(5) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), **Sch. 2 para. 2** (with Sch. 3); S.I. 2017/43, reg. 2(g)

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[^{F9}2A Financial Stability Objective

- (1) An objective of the Bank shall be to [^{F10}protect and enhance] the stability of the financial [^{F11}system] 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 [^{F12}and the Financial Conduct Authority]).

^{F13}(3)]

Textual Amendments

- F9** Ss. 2A-2C inserted (1.6.2009) by [Banking Act 2009 \(c. 1\)](#) , **ss. 238(1)** , 263(1) (with s. 247) ; S.I. 2009/1296 , [art. 2](#) , [Sch. para. 1](#)
- F10** Words in s. 2A(1) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , **ss. 2(2)(a)** , 122(3) (with [Sch. 20](#)) ; S.I. 2013/423 , [art. 3](#) , [Sch.](#)
- F11** Word in s. 2A(1) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , **ss. 2(2)(b)** , 122(3) (with [Sch. 20](#)) ; S.I. 2013/423 , [art. 3](#) , [Sch.](#)
- F12** Words in s. 2A(2) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 3** (with [Sch. 3](#)) ; S.I. 2017/43 , [reg. 2\(g\)](#)
- F13** S. 2A(3) omitted (1.4.2013) by virtue of [Financial Services Act 2012 \(c. 21\)](#) , **ss. 2(4)** , 122(3) (with [Sch. 20](#)) ; S.I. 2013/423 , [art. 3](#) , [Sch.](#)

[^{F14}2AA. Macro-prudential measures: Article 458 of the capital requirements regulation

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Textual Amendments

- F14** S. 2AA omitted (31.12.2020) by virtue of [The Bank of England \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1297\)](#) , [regs. 1\(2\)](#) , **3** ; 2020 c. 1 , [Sch. 5 para. 1\(1\)](#)

[^{F15}[^{F9}2B Financial Stability Committee

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Textual Amendments

- F9** Ss. 2A-2C inserted (1.6.2009) by [Banking Act 2009 \(c. 1\)](#) , **ss. 238(1)** , 263(1) (with s. 247) ; S.I. 2009/1296 , [art. 2](#) , [Sch. para. 1](#)
- F15** S. 2B repealed (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , **ss. 4(4)** , 122(3) (with [Sch. 20](#)) ; S.I. 2013/423 , [art. 3](#) , [Sch.](#)

[^{F16}[^{F9}2C Financial Stability Committee: supplemental

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Textual Amendments

- F9** Ss. 2A-2C inserted (1.6.2009) by [Banking Act 2009 \(c. 1\)](#) , **ss. 238(1)** , 263(1) (with s. 247) ; S.I. 2009/1296 , [art. 2](#) , [Sch. para. 1](#)
- F16** S. 2C repealed (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , **ss. 4(4)** , 122(3) (with [Sch. 20](#)) ; S.I. 2013/423 , [art. 3](#) , [Sch.](#)

^{F17}3 Functions to be carried out by non-executive members.

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Textual Amendments

- F17** Ss. 3A-3F substituted for s. 3 (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , **ss. 3(2)** , 122(3) (with [Sch. 20](#)) ; S.I. 2013/423 , [art. 3](#) ,

^{F17}3A. Oversight [^{F18} functions of court of directors]

^{F19}(1)

- (2) The [^{F20}oversight functions of the court of directors] are—
 - (a) keeping under review the Bank's performance in relation to—
 - (i) the Bank's objectives (that is, the objectives specified in relation to it in this Act [^{F21}, the objectives specified in relation to the Prudential Regulation Authority in Part 1A of the Financial Services and Markets Act 2000] and the other objectives for the time being determined by the court of directors of the Bank),
 - (ii) the duty of the Financial Policy Committee under section 9C, ^{F22}...
 - (iii) [^{F23}the Bank's strategy determined under section 2,
 - (iv) the Bank's financial stability strategy determined under section 9A, and
 - (v) the strategy of the Prudential Regulation Authority determined under section 2E of the Financial Services and Markets Act 2000;]
 - (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;
 - (d) the functions conferred on the [^{F24}court of directors] by the provisions listed in subsection (4).

^{F25}(3)

- (4) The provisions referred to in subsection (2)(d) are—
 - (a) section 9B (review of procedures followed by Financial Policy Committee);
 - (b) section 16 (review of procedures followed by Monetary Policy Committee);
 - ^{F26}(c)
 - ^{F26}(d)
 - ^{F26}(e)
 - ^{F26}(f)

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^{F26}(g)
^{F26}(h)]

Textual Amendments

- F17** Ss. 3A-3F substituted for s. 3 (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , **ss. 3(2)** , 122(3) (with [Sch. 20](#)) ; S.I. 2013/423 , art. 3 ,
- F18** Words in s. 3A heading substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , **ss. 3(3)(e)** , 41(3) (with [Sch. 3](#)) ; S.I. 2016/627 , reg. 2(1)(d)
- F19** S. 3A(1) omitted (6.7.2016) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , **ss. 3(3)(a)** , 41(3) (with [Sch. 3](#)) ; S.I. 2016/627 , reg. 2(1)(d)
- F20** Words in s. 3A(2) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , **ss. 3(3)(b)** , 41(3) (with [Sch. 3](#)) ; S.I. 2016/627 , reg. 2(1)(d)
- F21** Words in s. 3A(2)(a)(i) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 4(2)(a)** (with [Sch. 3](#)) ; S.I. 2017/43 , reg. 2(g)
- F22** Word in s. 3A(2)(a)(ii) omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 4(2)(b)** (with [Sch. 3](#)) ; S.I. 2017/43 , reg. 2(g)
- F23** Ss. 3A(2)(a)(iii)-(v) substituted for s. 3A(2)(a)(iii) (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 4(2)(c)** (with [Sch. 3](#)) ; S.I. 2017/43 , reg. 2(g)
- F24** Words in s. 3A(2)(d) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , **ss. 3(3)(c)** , 41(3) (with [Sch. 3](#)) ; S.I. 2016/627 , reg. 2(1)(d)
- F25** S. 3A(3) omitted (6.7.2016) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , **ss. 3(3)(d)** , 41(3) (with [Sch. 3](#)) ; S.I. 2016/627 , reg. 2(1)(d)
- F26** Ss. 3A(4)(c)-(h) omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 4(3)** (with [Sch. 3](#)) ; S.I. 2017/43 , reg. 2(g)

^{F27} 3B Oversight Committee: procedure

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Textual Amendments

- F27** S. 3B omitted (6.7.2016) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , **ss. 3(4)** , 41(3) (with [Sch. 3](#)) ; S.I. 2016/627 , reg. 2(1)(d)

^{F17}3C Reviews

- (1) In the discharge of any of its^{F28}oversight] functions, the ^{F29}court of directors] may arrange—
- (a) for a review to be conducted under this section in relation to any matter by a person appointed by the ^{F30}court of directors], and
 - (b) for the person conducting the review to make one or more reports to the ^{F31}court of directors] .

^{F32}(1A) Where they consider that to do so would contribute to the discharge by the court of directors of any of its oversight functions, the non-executive directors of the Bank (or a majority of them) may arrange—

- (a) for a review to be conducted under this section in relation to any matter by a person appointed by those directors, and

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- (b) for the person conducting the review to make one or more reports to the court of directors.]
- (2) The persons who may be appointed to conduct a review include an officer or employee of the Bank.
- (3) A review under this section is a “performance review” if it—
 - (a) is arranged [^{F33}in relation to the discharge of any of the court's] functions under section 3A(2)(a) and (b), and
 - (b) relates to past events.
- ^{F34}(4)
- (5) In the case of a performance review, [^{F35}regard must be had] to the desirability of ensuring that sufficient time has elapsed—
 - (a) for the review to be effective, and
 - (b) to avoid the review having a material adverse effect on the exercise by the Bank of its functions.]

Textual Amendments

- F17** Ss. 3A-3F substituted for s. 3 (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , **ss. 3(2)** , 122(3) (with [Sch. 20](#)) ; S.I. 2013/423 , [art. 3](#) ,
- F28** Word in s. 3C(1) inserted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 5(2)(a)** (with [Sch. 3](#)) ; S.I. 2016/627 , [reg. 2\(2\)\(b\)](#)
- F29** Words in s. 3C(1) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 5(2)(b)** (with [Sch. 3](#)) ; S.I. 2016/627 , [reg. 2\(2\)\(b\)](#)
- F30** Words in s. 3C(1)(a) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 5(2)(c)** (with [Sch. 3](#)) ; S.I. 2016/627 , [reg. 2\(2\)\(b\)](#)
- F31** Words in s. 3C(1)(b) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 5(2)(c)** (with [Sch. 3](#)) ; S.I. 2016/627 , [reg. 2\(2\)\(b\)](#)
- F32** S. 3C(1A) inserted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , **ss. 3(5)** , 41(3) (with [Sch. 3](#)) ; S.I. 2016/627 , [reg. 2\(1\)\(d\)](#)
- F33** Words in s. 3C(3)(a) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 5(3)** (with [Sch. 3](#)) ; S.I. 2016/627 , [reg. 2\(2\)\(b\)](#)
- F34** S. 3C(4) omitted (6.7.2016) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 5(4)** (with [Sch. 3](#)) ; S.I. 2016/627 , [reg. 2\(2\)\(b\)](#)
- F35** Words in s. 3C(5) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 5(5)** (with [Sch. 3](#)) ; S.I. 2016/627 , [reg. 2\(2\)\(b\)](#)

^{F17}**[3D Publication of reports of performance reviews**

- (1) The Bank must give the Treasury a copy of any report made to the [^{F36}court of directors] by a person appointed under section 3C to conduct a performance review (as defined by subsection (3) of that section).
- (2) Subject to subsection (3), the Bank must also publish the report.
- (3) Subsection (2) does not require the publication of information whose publication at the time when the report is made would in the opinion of the court of directors of the Bank be against the public interest.

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- (4) Where the court of directors decides under subsection (3) that publication of information at the time when the report is made would be against the public interest, it must keep under consideration the question of whether publication of the information would still be against the public interest.
- (5) Where the court of directors decides that publication of any information is no longer against the public interest, the Bank must publish the information.
- (6) The Treasury must lay before Parliament a copy of any report or other information published by the Bank under this section.]

Textual Amendments

- F17** Ss. 3A-3F substituted for s. 3 (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , **ss. 3(2)** , 122(3) (with [Sch. 20](#)) ; [S.I. 2013/423](#) , [art. 3](#) ,
- F36** Words in s. 3D(1) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , [s. 41\(3\)](#) , **Sch. 2 para. 6** (with [Sch. 3](#)) ; [S.I. 2016/627](#) , [reg. 2\(2\)\(b\)](#)

^{F17}[3E Recommendations resulting from review

- (1) This section applies where a report made by a person appointed under section 3C to conduct a review makes recommendations to the Bank as to steps to be taken by it.
- (2) The [^{F37}court of directors] must—
 - (a) monitor the Bank's response to the report, and
 - (b) if or to the extent that the Bank accepts the recommendations, monitor the implementation of the recommendations.]

Textual Amendments

- F17** Ss. 3A-3F substituted for s. 3 (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , **ss. 3(2)** , 122(3) (with [Sch. 20](#)) ; [S.I. 2013/423](#) , [art. 3](#) ,
- F37** Words in s. 3E(2) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , [s. 41\(3\)](#) , **Sch. 2 para. 7** (with [Sch. 3](#)) ; [S.I. 2016/627](#) , [reg. 2\(2\)\(b\)](#)

^{F17}[3F Oversight [^{F38}functions]: further provisions

- (1) The documents to which the [^{F39}court of directors] is to have access in the discharge of its [^{F40}oversight] functions include documents considered, or to be considered, by the Financial Policy Committee [^{F41}, the Monetary Policy Committee or the Prudential Regulation Committee] .
- (2) One or two members of the [^{F42}court of directors] may attend any meeting of the Financial Policy Committee [^{F43}, the Monetary Policy Committee or the Prudential Regulation Committee for the purposes of exercising its oversight functions] , but a person attending by virtue of this subsection may not speak unless invited to do so by the person chairing the meeting.

[But a member of the court of directors who has any direct or indirect interest ^{F44}(2A) (including any reasonably likely future interest) in any dealing or business which falls

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to be considered by the Prudential Regulation Committee may not, under the powers conferred by this section—

- (a) obtain access to any documents relating to the dealing or business, or
- (b) attend any proceedings of the Prudential Regulation Committee relating to any question arising from its consideration of the dealing or business.]

(3) Subsection (2) does not affect—

- (a) anything done in relation to the Financial Policy Committee [^{F45}, the Monetary Policy Committee or the Prudential Regulation Committee] by a member of that Committee who is also a member of the [^{F46} court of directors],
- (b) the powers of the Financial Policy Committee under paragraph 13 of Schedule 2A, ^{F47}...
- (c) the powers of the Monetary Policy Committee under paragraph 13A of Schedule 3]^{F48}, or
- (d) the powers of the Prudential Regulation Committee under paragraph 15(2) of Schedule 6A.]

Textual Amendments

- F17** Ss. 3A-3F substituted for s. 3 (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , **ss. 3(2)** , 122(3) (with [Sch. 20](#)) ; [S.I. 2013/423](#) , art. 3 ,
- F38** Word in s. 3F heading substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 8(6)** (with [Sch. 3](#)) ; [S.I. 2016/627](#) , reg. 2(2)(c)
- F39** Words in s. 3F(1) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 8(2)(a)** (with [Sch. 3](#)) ; [S.I. 2016/627](#) , reg. 2(2)(c)
- F40** Word in s. 3F(1) inserted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 8(2)(b)** (with [Sch. 3](#)) ; [S.I. 2016/627](#) , reg. 2(2)(c)
- F41** Words in s. 3F(1) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 8(2)(c)** (with [Sch. 3](#)) ; [S.I. 2017/43](#) , reg. 2(g)
- F42** Words in s. 3F(2) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 8(3)(a)** (with [Sch. 3](#)) ; [S.I. 2016/627](#) , reg. 2(2)(c)
- F43** Words in s. 3F(2) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 8(3)(b)** (with [Sch. 3](#)) ; [S.I. 2017/43](#) , reg. 2(g)
- F44** S. 3F(2A) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 8(4)** (with [Sch. 3](#)) ; [S.I. 2017/43](#) , reg. 2(g)
- F45** Words in s. 3F(3)(a) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 8(5)(a)(i)** (with [Sch. 3](#)) ; [S.I. 2017/43](#) , reg. 2(g)
- F46** Words in s. 3F(3)(a) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 8(5)(a)(ii)** (with [Sch. 3](#)) ; [S.I. 2016/627](#) , reg. 2(2)(c)
- F47** Word in s. 3F(3)(b) omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 8(5)(b)** (with [Sch. 3](#)) ; [S.I. 2017/43](#) , reg. 2(g)
- F48** S. 3F(3)(d) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , **Sch. 2 para. 8(5)(c)** (with [Sch. 3](#)) ; [S.I. 2017/43](#) , reg. 2(g)

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—

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- [^{F49}(a) a report by the court of directors on the matters which it reviews, monitors or otherwise considers in the performance of its oversight functions (as defined by section 3A(2)),]
- [^{F50}(aa) a report by the court of directors on the activities of the Financial Policy Committee of the Bank, and]
- (b) a copy of the [^{F51}statements] for the year prepared under section 7(2) [^{F52}and (2A)] and the report of the Bank’s auditors on [^{F53}them] .
- ^{F54}(3)
- (4) A report under this section shall also contain—
- (a) a statement of the rate or rates at which [^{F55}non-executive 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.
- [^{F56}(7) The Chancellor may comply with subsection (6) by laying a document containing a report under this section together with a report by the Prudential Regulation Authority under paragraph 19 of Schedule 1ZB to the Financial Services and Markets Act 2000.]

Textual Amendments

- F49** S. 4(2)(a) substituted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , [Sch. 2 para. 9\(2\)](#) (with [Sch. 3](#)) ; S.I. 2016/627 , reg. 2(2)(d)
- F50** S. 4(2)(aa) substituted for preceding word (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#) , s. 122(3) , [Sch. 1 para. 1](#) (with [Sch. 20](#)) ; S.I. 2013/423 , art. 3 , [Sch.](#)
- F51** Word in s. 4(2)(b) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , [Sch. 2 para. 9\(3\)\(a\)](#) (with [Sch. 3](#)) ; S.I. 2017/43 , reg. 2(g)
- F52** Words in s. 4(2)(b) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , [Sch. 2 para. 9\(3\)\(b\)](#) (with [Sch. 3](#)) ; S.I. 2017/43 , reg. 2(g)
- F53** Word in s. 4(2)(b) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , [Sch. 2 para. 9\(3\)\(c\)](#) (with [Sch. 3](#)) ; S.I. 2017/43 , reg. 2(g)
- F54** S. 4(3) omitted (6.7.2016) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , [Sch. 2 para. 9\(4\)](#) (with [Sch. 3](#)) ; S.I. 2016/627 , reg. 2(2)(d)
- F55** Words in s. 4(4)(a) substituted (19.2.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#) , s. 122(3) , [Sch. 2 para. 4](#) (with [Sch. 20](#)) ; S.I. 2013/113 , art. 2(2) , [Sch. Pt. 4](#) ; S.I. 2013/423 , art. 3 , [Sch.](#)
- F56** S. 4(7) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#) , s. 41(3) , [Sch. 2 para. 9\(5\)](#) (with [Sch. 3](#)) ; S.I. 2017/43 , reg. 2(g)

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.

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- (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

^{F57}6 **Cash ratio deposits.**

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Textual Amendments

F57 S. 6 omitted (1.3.2024) by virtue of [Financial Services and Markets Act 2023 \(c. 29\)](#), ss. [70\(2\)](#), [86\(3\)](#); S.I. 2024/250, reg. 2(b)

[^{F58}6A **Bank of England levy**

Schedule 2ZA makes provision for the Bank to impose a charge on financial institutions in connection with the pursuit of its financial stability and monetary policy objectives.]

Textual Amendments

F58 S. 6A inserted (1.1.2024 for specified purposes, 1.3.2024 in so far as not already in force) by [Financial Services and Markets Act 2023 \(c. 29\)](#), ss. [70\(3\)](#), [86\(3\)](#); S.I. 2023/1382, reg. 9(1)(c); S.I. 2024/250, reg. 2(b)

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.

[^{F59}(2A) The Bank shall also prepare for each of its financial years a statement of accounts in relation to—

- (a) income received and assets accrued by the Bank by virtue of its functions as the Prudential Regulation Authority, and
- (b) expenses and liabilities incurred by the Bank by virtue of its functions as the Prudential Regulation Authority.]

- (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.

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- (4) The Bank may disregard a requirement to which it is subject under subsection (3) to the extent that it considers it ^{F60}necessary to do so having regard to the Financial Stability Objective].
- ^{F61}(4A) In preparing a statement under subsection (2A) the Bank must comply with any directions given by the Treasury as to—
- (a) the information to be contained in the statement and the manner in which it is to be presented, and
 - (b) the methods and principles according to which the statement is to be prepared.]
- (5) The Bank shall appoint an auditor or auditors to audit its accounts, including any statement under subsection (2) ^{F62}or (2A)] .
- ^{F63}(5A) The auditor's report on a statement under subsection (2A) must state whether the auditor is satisfied that the Bank has complied with the requirements of Part 3 of Schedule 1ZB to the Financial Services and Markets Act 2000 (Prudential Regulation Authority fees and penalties).]
- (6) As soon as practicable after receiving the report of its auditors on a statement prepared under subsection (2) ^{F64}or (2A)] , 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).
- ^{F65}(8A) A direction under subsection (4A) or a notice under subsection (7) may be revoked by a further direction or notice.]
- (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 ^{F66}the Companies Act 2006] are for the time being subject under that Act ^{F67}(except sections 412 and 413 (directors' benefits))] in relation to the preparation of accounts under ^{F68}section 394] of that Act.

Textual Amendments

- F59** S. 7(2A) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\), ss. 14\(2\), 41\(3\)](#) (with [Sch. 3](#)); S.I. 2017/43, reg. 2(e)
- F60** Words in s. 7(4) substituted (1.3.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\), ss. 137\(2\), 148\(5\)](#); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1
- F61** S. 7(4A) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\), ss. 14\(3\), 41\(3\)](#) (with [Sch. 3](#)); S.I. 2017/43, reg. 2(e)
- F62** Words in s. 7(5) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\), ss. 14\(4\), 41\(3\)](#) (with [Sch. 3](#)); S.I. 2017/43, reg. 2(e)
- F63** S. 7(5A) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\), ss. 14\(5\), 41\(3\)](#) (with [Sch. 3](#)); S.I. 2017/43, reg. 2(e)
- F64** Words in s. 7(6) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\), ss. 14\(6\), 41\(3\)](#) (with [Sch. 3](#)); S.I. 2017/43, reg. 2(e)

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- F65** S. 7(8A) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), ss. 14(7), 41(3) (with Sch. 3); S.I. 2017/43, reg. 2(e)
- F66** Words in s. 7(9) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), Sch. 1 para. 205(1)(a) (with arts. 6, 11, 12)
- F67** Words in s. 7(9) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), Sch. 1 para. 205(1)(b) (with arts. 6, 11, 12)
- F68** Words in s. 7(9) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), Sch. 1 para. 205(1)(c) (with arts. 6, 11, 12)

[^{F69}7ZA Audit: role of Comptroller and Auditor General

- (1) Before appointing an auditor or auditors under section 7(5), the Bank must consult the Comptroller and Auditor General (“the Comptroller”).
- (2) The auditor or auditors appointed by the Bank must consult the Comptroller on the scope, timing and direction of the audit and on any audit plan (or any material revisions to an audit plan).
- (3) The Comptroller—
 - (a) has a right of access at any reasonable time to any document relating to the audit of the Bank's accounts which the Comptroller may reasonably require, and
 - (b) may require any person holding or accountable for any such document to provide such information and explanation as are reasonably necessary.
- (4) Subsection (3) applies only to documents in the custody or under the control of the Bank.
- (5) An obligation imposed on a person as a result of the exercise of the powers conferred by subsection (3) is enforceable by injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.
- (6) The Comptroller (or a person nominated by the Comptroller) may attend any proceedings of the Bank's audit committee which are concerned with the audit of the Bank's accounts.
- (7) The “ Bank's audit committee ” means the committee or sub-committee within the Bank for the time being having responsibilities relating to the audit of the Bank's accounts.]

Textual Amendments

- F69** S. 7ZA inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), ss. 9, 41(3) (with Sch. 3); S.I. 2016/627, reg. 2(1)(j)

[^{F70}7A Accounts of companies wholly owned by the Bank

- (1) If the Bank considers it necessary to do so having regard to the Financial Stability Objective, the Bank may by direction to a qualifying company exclude the application to the qualifying company of any of the relevant Companies Act requirements.
- (2) The relevant Companies Act requirements are the requirements to which the directors of the qualifying company would otherwise be subject under the Companies Act 2006

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- (except sections 412 and 413 (directors' benefits)) in relation to the preparation of accounts under section 394 of that Act.
- (3) A direction under subsection (1) may relate to one or more specified accounting periods of the qualifying company, or to a specified accounting period and all subsequent accounting periods of the qualifying company.
- (4) The Bank must consult the Treasury before giving a direction under subsection (1).
- (5) The Treasury may by notice in writing to the Bank require it to publish in such manner as it thinks fit such information relating to the accounts of a qualifying company as the Treasury may specify in the notice.
- (6) The information specified in a notice under subsection (5) may include information which as a result of a direction under subsection (1) was excluded from accounts prepared in accordance with the Companies Act 2006.
- (7) The Treasury must consult the Bank before giving a notice under subsection (5).
- (8) A direction under subsection (1) or a notice under subsection (5) may be revoked by a subsequent direction or notice (as the case may be).
- (9) “Qualifying company” means any company which is wholly owned by the Bank other than—
- ^{F71}(a)
- (b) a company which is a bridge bank for the purposes of section 12(3) of the Banking Act 2009 [^{F72}, or
- (c) a company which is a bridge central counterparty for the purpose of paragraph 29 of Schedule 11 to the Financial Services and Markets Act 2023.]
- (10) For the purposes of subsection (9), a company is wholly owned by the Bank if—
- (a) it is a company of which no person other than the Bank or a nominee of the Bank is a member, or
- (b) it is a wholly-owned subsidiary of a company within paragraph (a).]

Textual Amendments

- F70** S. 7A inserted (1.3.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), **ss. 137(3)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1
- F71** S. 7A(9)(a) omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), **Sch. 2 para. 10** (with Sch. 3); S.I. 2017/43, reg. 2(g)
- F72** S. 7A(9)(c) and word inserted (31.12.2023) by [The Resolution of Central Counterparties \(Modified Application of Corporate Law and Consequential Amendments\) Regulations 2023 \(S.I. 2023/1313\)](#), regs. 1(2), **9(2)**

[^{F73}7B Reports on Bank activities indemnified by Treasury

- (1) This section applies where the Treasury give an indemnity or guarantee to the Bank in respect of an activity or series of activities undertaken by the Bank.
- (2) The Treasury may direct the Bank to prepare a financial report in relation to the activity or series of activities to which the indemnity or guarantee relates.
- (3) A direction under subsection (2) may include directions as to—

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- (a) the financial years for which a report is to be prepared,
 - (b) the information to be contained in the report and the manner in which it is to be presented, and
 - (c) the methods and principles according to which any statement of financial information to be contained in the report is to be prepared.
- (4) A direction under subsection (2) may be revoked by a further direction.
- (5) The Bank must send any report that it prepares under subsection (2) to the Treasury.
- (6) The Treasury may send the report to the Comptroller and Auditor General (“the Comptroller”) for review.
- (7) The review is to consider such matters as may be agreed between the Comptroller and the Treasury.
- (8) The Comptroller—
 - (a) has a right of access at any reasonable time to any document the Comptroller may reasonably require for the purposes of the review, and
 - (b) may require any person holding or accountable for any such document to provide such information and explanation as are reasonably necessary.
- (9) Subsection (8) applies only to documents in the custody or under the control of—
 - (a) the Bank;
 - (b) the auditor or auditors appointed by the Bank under section 7(5).
- (10) An obligation imposed on a person as a result of the exercise of the powers conferred by subsection (8) is enforceable by injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.

Textual Amendments

F73 Ss. 7B 7C inserted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), [ss. 10, 41\(3\)](#) (with [Sch. 3](#)); [S.I. 2016/627](#), [reg. 2\(1\)\(k\)](#)

7C Accounts of Bank companies carrying on activities indemnified by Treasury

- (1) This section applies where the Treasury give an indemnity or guarantee to a company (“the company”) in which the Bank has an interest, in respect of an activity or series of activities undertaken by the company.
- (2) The Treasury may direct the company to send to the Comptroller and Auditor General (“the Comptroller”) accounts prepared by it in accordance with the Companies Act 2006 and any direction given by the Bank under section 7A(1).
- (3) A direction given under subsection (2)—
 - (a) may relate to all financial years, or to financial years specified in the direction;
 - (b) may be revoked by a further direction.
- (4) Where a direction given under subsection (2) has effect in relation to a financial year, the company is exempt from the requirements of Part 16 of the Companies Act 2006 (audit) for that financial year, and its balance sheet must include a statement to that effect.

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- (5) The Comptroller must examine any accounts sent to the Comptroller under this section with a view to satisfying himself or herself that the accounts have been properly prepared in all material respects in accordance with the bases of preparation identified in the accounts.
- (6) After completing the examination the Comptroller must—
 - (a) certify the accounts and issue a report,
 - (b) send the certified accounts and the report to the Treasury, and
 - (c) if not satisfied that the accounts have been properly prepared in all material respects in accordance with the bases of preparation identified in the accounts, report to the House of Commons.
- (7) The Treasury must lay the copy of the certified accounts and the report before Parliament.
- (8) For the purposes of this section, the Bank has an interest in a company if—
 - (a) the Bank, or a nominee of the Bank, is a member of the company, or
 - (b) the company is a subsidiary undertaking of the Bank, within the meaning of section 1162 of the Companies Act 2006.]

Textual Amendments

F73 Ss. 7B 7C inserted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\), ss. 10, 41\(3\)](#) (with [Sch. 3](#)); [S.I. 2016/627, reg. 2\(1\)\(k\)](#)

[^{F74}7D Examination by Comptroller and Auditor General

- (1) The Comptroller and Auditor General (“the Comptroller”) may carry out examinations into—
 - (a) the economy, efficiency and effectiveness with which the Bank has used its resources in discharging its functions;
 - (b) the economy, efficiency and effectiveness with which a Bank company has used its resources in discharging its functions.
- (2) An examination under this section may be limited to such functions (however described) of the Bank or the Bank company as the Comptroller considers appropriate.
- (3) An examination under this section is not to be concerned with the merits of the Bank's policy objectives.
- (4) An examination under this section is not to be concerned with the merits of—
 - (a) policy decisions taken by the Financial Policy Committee, the Monetary Policy Committee or the Prudential Regulation Committee;
 - (b) policy decisions taken by a committee or other body within the Bank for the time being having responsibilities for the supervision of payment systems, settlement systems [^{F75}, central securities depositories] or clearing houses, so far as the decisions relate to that supervision.
- (5) Subject to subsection (6), an examination under this section is not to be concerned with the merits of policy decisions taken by a committee or other body within the Bank for the time being having responsibilities for the exercise of any of the Bank's resolution functions, so far as the decisions relate to those functions.

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- (6) Where the Bank has exercised relevant resolution functions in relation to a financial institution, subsection (5) does not prevent an examination under this section being concerned with the merits of policy decisions within that subsection which are relevant to the Bank's exercise of its resolution functions in relation to that institution (whether or not those policy decisions are also relevant to other financial institutions).
- (7) “Relevant resolution functions” are—
- (a) any of the stabilisation powers;
 - (b) any of the Bank's functions (other than its functions as the Prudential Regulation Authority) under or by virtue of—
 - (i) Part 2 or 3, or section 233, of the Banking Act 2009,
 - (ii) Part 6 of the Financial Services (Banking Reform) Act 2013.
- (8) Before carrying out an examination under this section, the Comptroller must consult the court of directors of the Bank.
- (9) The Comptroller may report to the House of Commons the results of any examination carried out by the Comptroller under this section.
- (10) For the purposes of this section—
- “Bank company” means—
 - (a) a company which is a subsidiary undertaking of the Bank, within the meaning of section 1162 of the Companies Act 2006;
 - (b) a company not within paragraph (a) in respect of which a direction under section 7C(2) has effect;
 - “resolution functions” means the Bank's functions (other than its functions as the Prudential Regulation Authority) under or by virtue of—
 - (a) Parts 1 to 3, and section 233, of the Banking Act 2009,
 - (b) Part 6 of the Financial Services (Banking Reform) Act 2013,
 - (ba) [F76Schedule 11 to the Financial Services and Markets Act 2023,]
 - (c) the Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348);
 - [F77“stabilisation powers” means a stabilisation power within the meaning given by section 1(4) of the Banking Act 2009 or paragraph 1(4) of Schedule 11 to the Financial Services and Markets Act 2023.]
- (11) Section 6 of the National Audit Act 1983 (Comptroller may carry out economy, efficiency and effectiveness examinations) does not apply to the Bank or a Bank company.

Textual Amendments

- F74** Ss. 7D-7H inserted (6.7.2016 for the insertion of ss. 7D, 7E, 7G, 7H, 1.3.2017 in so far as not already in force) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), **ss. 11, 41(3)** (with [Sch. 3](#)); S.I. 2016/627, reg. 2(1)(l); S.I. 2017/43, reg. 2(b)
- F75** Words in s. 7D(4)(b) inserted (28.11.2017) by [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\)](#), reg. 1, **Sch. para. 9(2)** (with regs. 7(4), 9(1))
- F76** Words in s. 7D(10) inserted (31.12.2023) by [Financial Services and Markets Act 2023 \(c. 29\)](#), s. 86(3), **Sch. 11 para. 159(a)**; S.I. 2023/1382, reg. 8(b)
- F77** Words in s. 7D(10) substituted (31.12.2023) by [Financial Services and Markets Act 2023 \(c. 29\)](#), s. 86(3), **Sch. 11 para. 159(b)**; S.I. 2023/1382, reg. 8(b)

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7E Memorandum of understanding

- (1) The Bank and the Comptroller must prepare and maintain a memorandum of understanding about examinations under section 7D.
- (2) The memorandum must in particular include provision—
 - (a) as to functions of the Bank in respect of which the Comptroller will not usually consider it appropriate to carry out an examination;
 - (b) identifying the committees or other bodies referred to in section 7D(4)(b) and (5);
 - (c) establishing a procedure for resolving in a timely fashion any dispute between the Bank and the Comptroller as to whether a matter is (under section 7D(3) to (6)) a matter with which an examination under section 7D is not to be concerned;
 - (d) for the publication of the views of the Bank and the Comptroller as to whether a matter is such a matter, in cases where a dispute between them cannot be resolved.

Textual Amendments

F74 Ss. 7D-7H inserted (6.7.2016 for the insertion of ss. 7D, 7E, 7G, 7H, 1.3.2017 in so far as not already in force) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), [ss. 11, 41\(3\)](#) (with [Sch. 3](#)); [S.I. 2016/627](#), [reg. 2\(1\)\(l\)](#); [S.I. 2017/43](#), [reg. 2\(b\)](#)

7F Review by the Treasury

- (1) The Treasury may appoint an independent person to conduct a review of the economy, efficiency and effectiveness with which the Bank has used its resources in discharging its functions as the Prudential Regulation Authority.
- (2) “Independent” means appearing to the Treasury to be independent of the Bank.
- (3) A review under this section may be limited to such of the Bank's functions as the Prudential Regulation Authority (however described) as the Treasury may specify in appointing the person to conduct it.
- (4) A review under this section is not to be concerned with the merits of the Bank's general policy or principles in pursuing the Bank's objectives (including its objectives as the Prudential Regulation Authority).
- (5) On completion of the review, the person conducting it must make a written report to the Treasury—
 - (a) setting out the result of the review, and
 - (b) making such recommendations (if any) as the person considers appropriate.
- (6) A copy of the report must be—
 - (a) laid before Parliament, and
 - (b) published in such manner as the Treasury think fit.
- (7) Any expenses reasonably incurred in the conduct of the review are to be met by the Treasury out of money provided by Parliament.

Changes to legislation: Bank of England Act 1998, Part 1 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F74 Ss. 7D-7H inserted (6.7.2016 for the insertion of ss. 7D, 7E, 7G, 7H, 1.3.2017 in so far as not already in force) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), **ss. 11, 41(3)** (with [Sch. 3](#)); [S.I. 2016/627](#), [reg. 2\(1\)\(l\)](#); [S.I. 2017/43](#), [reg. 2\(b\)](#)

7G Right to obtain documents and information

- (1) A person conducting an examination under section 7D or a review under section 7F—
 - (a) has a right of access at any reasonable time to any document the person may reasonably require for the purposes of the examination or review, and
 - (b) may require any person holding or accountable for any such document to provide such information and explanation as are reasonably necessary for that purpose.
- (2) Subsection (1) applies to documents in the custody or under the control of—
 - (a) the Bank;
 - (b) the auditor or auditors appointed by the Bank under section 7(5).
- (3) In the case of an examination under section 7D(1)(b), subsection (1) also applies to documents in the custody or under the control of—
 - (a) the company to which the examination relates;
 - (b) the auditor or auditors of that company.
- (4) An obligation imposed on a person as a result of the exercise of the powers conferred by subsection (1) is enforceable by injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.

Textual Amendments

F74 Ss. 7D-7H inserted (6.7.2016 for the insertion of ss. 7D, 7E, 7G, 7H, 1.3.2017 in so far as not already in force) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), **ss. 11, 41(3)** (with [Sch. 3](#)); [S.I. 2016/627](#), [reg. 2\(1\)\(l\)](#); [S.I. 2017/43](#), [reg. 2\(b\)](#)

7H Restriction on disclosing information

Section 353A of the Financial Services and Markets Act 2000 (FCA not to disclose certain information received from the Bank) applies in relation to the Comptroller and Auditor General and the National Audit Office as it applies in relation to the Financial Conduct Authority.]

Textual Amendments

F74 Ss. 7D-7H inserted (6.7.2016 for the insertion of ss. 7D, 7E, 7G, 7H, 1.3.2017 in so far as not already in force) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), **ss. 11, 41(3)** (with [Sch. 3](#)); [S.I. 2016/627](#), [reg. 2\(1\)\(l\)](#); [S.I. 2017/43](#), [reg. 2\(b\)](#)

Changes to legislation: *Bank of England Act 1998, Part I is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

8 Payments in lieu of dividends.

(1) In section 1 of the ^{M1}Bank of England Act 1946, in subsection (4), (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—

“11A (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.”

Marginal Citations

M1 1946 c. 27.

Supplementary

9 Consequential amendments.

(1) In section 14 of the ^{M2}National Debt Reduction Act 1786 and section 32 of the ^{M3}Life Annuities Act 1808, for “deputy governor” there is substituted “ deputy governors ”.

(2) In section 55 of the ^{M4}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.

(3) In section 3(3) of the ^{M5}Bank of England Act 1946, after “this Act” there is inserted “ and the Bank of England Act 1998 ”.

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Marginal Citations

- M2** 1786 c. 31.
- M3** 1808 c. 142.
- M4** 1870 c. 71.
- M5** 1946 c. 27.

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 9Y(4)(a) word omitted by [2016 c. 14 Sch. 2 para. 13\(4\)\(a\)](#)
- s. 9Y(4)(b) omitted by [2016 c. 14 Sch. 2 para. 13\(4\)\(b\)](#)
- s. 41(4) repealed by [2007 c. 29 Sch. 23](#)