

*These notes refer to the Scotland Act 1998 (c.46)
which received Royal Assent on 19th November 1998*

SCOTLAND ACT 1998

EXPLANATORY NOTES

COMMENTARY

Part III: Financial Provisions

SECTION 68: Borrowing by public bodies

Purpose and Effect

The purpose of this section is to ensure that if a member of the Scottish Executive lends money to a body established under any enactment, the rate of interest on the loan is not less than the lowest rate determined by the Treasury in respect of similar loans made out of the National Loans Fund on the day the loan is made. In addition, it provides that public bodies shall not borrow under a power conferred by virtue of an Act of the Scottish Parliament in a currency other than sterling without the consent of the Scottish Ministers given with the approval of the Treasury.

Parliamentary Consideration

<i>Stage</i>	<i>Date</i>	<i>Column</i>
CC	12-Feb-98	643
LC	30-Jul-98	1708
LC	30-Jul-98	1709
LR	28-Oct-98	2049

Details of Provisions

Subsection (1) provides that if a member of the Scottish Executive lends money to a body established under any enactment (which includes an Act of Parliament or an Act of the Scottish Parliament or any subordinate legislation under such Acts), the rate of interest on the loan shall not be less than the lowest rate determined by the Treasury under section 5 of the National Loans Act 1968 in respect of similar loans made out of the National Loans Fund on the day the loan is made.

Subsection (2) provides that a body established under any enactment shall not, in pursuance of a power conferred by virtue of an Act of the Scottish Parliament, borrow money in a currency other than sterling except with the consent of the Scottish Ministers given with the approval of the Treasury.