



# Bank of England Act 1946

1946 CHAPTER 27 9 and 10 Geo 6

An Act to bring the capital stock of the Bank of England into public ownership and bring the Bank under public control, to make provision with respect to the relations between the Treasury, the Bank of England and other banks and for purposes connected with the matters aforesaid. [14th February 1946]

## **1 Transfer of Bank stock to Treasury.**

- (1) On the appointed day—
  - (a) the whole of the existing capital stock of the Bank (hereinafter referred to as “Bank stock”) shall, by virtue of this section, be transferred, free of all trusts, liabilities and incumbrances, to such person as the Treasury may by order nominate, to be held by that person on behalf of the Treasury;
  - (b) the Treasury shall issue, to the person who immediately before the appointed day is registered in the books of the Bank as the holder of any Bank stock, the equivalent amount of stock created by the Treasury for the purpose (hereinafter referred to as the “Government stock”).
- (2) The Government stock shall bear interest at the rate of three per cent. per annum; and the equivalent amount of Government stock shall, in relation to any person, be taken to be such that the sum payable annually by way of interest thereon is equal to the average annual gross dividend declared during the period of twenty years immediately preceding the thirty-first day of March, nineteen hundred and forty-five, upon the amount of Bank stock of which that person was the registered holder immediately before the appointed day.
- (3) The Government stock may be redeemed at par by the Treasury on or at any time after the fifth day of April, nineteen hundred and sixty-six, after giving not less than three months’ notice in the London Gazette of their intention to do so.
- (4) After the appointed day, no dividends on Bank stock shall be declared but in lieu of any such dividends the Bank shall pay to the Treasury, on every fifth day of April and of October, [1] 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.]

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(5) The incidental and supplemental provisions set out in the First Schedule to this Act shall have effect with respect to the Government stock and to the sums payable to the Treasury under the last foregoing subsection.

[<sup>F2</sup>(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.]

**Textual Amendments**  
**F1** Words in s. 1(4) substituted (1.6.1998) by 1998 c. 11, s. 8(1); S.I. 1998/1120, art. 2  
**F2** S. 1(6) inserted (1.6.1998) by 1998 c. 11, s. 8(2); S.I. 1998/1120, art. 2

<sup>F3</sup>2 .....

**Textual Amendments**  
**F3** S. 2 repealed (1.6.1998) by 1998 c. 11, s. 43, Sch. 9 Pt.I; S.I. 1998/1120, art.2

**3 Consequential provisions as to constitution and powers of the Bank.**

(1) So much of any enactment as limits the duration of the Bank as a body corporate shall cease to have effect.

(2) As from the appointed day every member of the court of directors of the Bank shall be a member of the said body corporate, notwithstanding that he holds no Bank stock, and accordingly the members of the said body shall be the members for the time being of that court together with the person who for the time being holds the Bank stock on behalf of the Treasury.

(3) As from the appointed day His Majesty may revoke all or any of the provisions of the charters of the Bank except in so far as they incorporate the Bank, and thereafter, subject to the provisions of this Act [<sup>F4</sup>and the Bank of England Act 1998], the Bank shall be constituted and regulated in accordance with so much of the said charters as remains unrevoked and such other charters as may from time to time be granted by His Majesty and accepted on behalf of the Bank by the court of directors.

(4) ..... <sup>F5</sup>

**Textual Amendments**  
**F4** Words in s. 3(3) inserted (1.6.1998) by 1998 c. 11, s. 9(3); S.I. 1998/1120, art.2  
**F5** Ss. 3(4), 4(8), Sch. 3 repealed by Statute Law Revision Act 1950 (c. 6)

**4 Treasury directions to the Bank and relations of the Bank with other banks.**

(1) The Treasury may from time to time give such directions to the Bank as, after consultation with the Governor of the Bank, they think necessary in the public interest [<sup>F6</sup>, except in relation to—

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- [ monetary policy].
- <sup>F7</sup>(a) [
- <sup>F8</sup>(b) the exercise by the Bank of its functions as the Prudential Regulation Authority (see section 2A of the Financial Services and Markets Act 2000).]
- <sup>F9</sup>(c) the exercise by the Bank of its functions under any enactment in relation to the following bodies—
- (i) recognised central counterparties;
  - (ii) recognised CSDs;
  - (iii) third country central counterparties;
  - (iv) third country CSDs.]

<sup>F10</sup>(2A) Expressions used in subsection (1)(c) have the same meaning as in section 285 of the Financial Services and Markets Act 2000 (exemption for recognised bodies etc.)]

<sup>F11</sup>(2) . . . . .

(3) The Bank, if they think it necessary in the public interest, may request information from and make recommendations to bankers, and may, if so authorised by the Treasury, issue directions to any banker for the purpose of securing that effect is given to any such request or recommendation:

Provided that:—

- (a) no such request or recommendations shall be made with respect to the affairs of any particular customer of a banker; and
- (b) before authorising the issue of any such directions the Treasury shall give the banker concerned, or such person as appears to them to represent him, an opportunity of making representations with respect thereto.

(4) . . . . . <sup>F12</sup>

(5) . . . . . <sup>F12</sup>

(6) In this section the expression “banker” means any such person carrying on a banking undertaking as may be declared by order of the Treasury to be a banker for the purposes of this section.

(7) Any order made under the last foregoing subsection may be varied or revoked by a subsequent order.

(8) . . . . . <sup>F13</sup>

#### Textual Amendments

- F6** Words in s. 4(1) inserted (1.6.1998) by 1998 c. 11, s.10; S.I. 1998/1120, art.2
- F7** Words in s. 4(1)(a) renumbered as s. 4(1)(a) (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), Sch. 2 para. 23(a) (with Sch. 3); S.I. 2017/43, reg. 2(g)
- F8** S. 4(1)(b) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), Sch. 2 para. 23(b) (with Sch. 3); S.I. 2017/43, reg. 2(g)
- F9** S. 4(1)(c) inserted (1.1.2024 at 1.00 a.m.) by Financial Services and Markets Act 2023 (c. 29), ss. 12(2), 86(3); S.I. 2023/1382, reg. 10(c)
- F10** S. 4(2A) inserted (1.1.2024 at 1.00 a.m.) by Financial Services and Markets Act 2023 (c. 29), ss. 12(3), 86(3); S.I. 2023/1382, reg. 10(c)
- F11** S. 4(2) repealed (1.6.1998) by 1998 c. 11, s. 43, Sch. 9 Pt. I; S.I. 1998/1120, art.2
- F12** S. 4(4)(5) repealed by Official Secrets Act 1989 (c. 6, SIF 39:2), s. 16(4), Sch. 2

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**F13** Ss. 3(4), 4(8), Sch. 3 repealed by [Statute Law Revision Act 1950 \(c. 6\)](#)

## 5 Interpretation.

For the purposes of this Act—

- (a) the expression “the Bank” means the Bank of England;
- (b) the appointed day shall be such day as the Treasury may by order appoint, . . .  
F14

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### Textual Amendments

**F14** Words repealed by [Statute Law \(Repeals\) Act 1976 \(c. 16\)](#), [Sch. 1 Pt. XI](#)

## 6 Short title.

This Act may be cited as the Bank of England Act 1946.

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## SCHEDULES

### FIRST SCHEDULE

Section 1.

#### INCIDENTAL AND SUPPLEMENTAL PROVISIONS AS TO THE GOVERNMENT STOCK AND SUMS PAYABLE BY THE BANK TO THE TREASURY

- 1 The principal of and interest on the Government stock, and any expenses incurred in connection with the issue or redemption thereof, shall be charged on and issued out of [<sup>F15</sup>the National Loans Fund with recourse to] the Consolidated Fund of the United Kingdom . . . <sup>F16</sup> (hereafter in this Schedule referred to as “the Consolidated Fund”).

##### Textual Amendments

**F15** Words inserted by [National Loans Act 1968 \(c. 13\), Sch. 5](#)

**F16** Words repealed by [Statute Law Revision Act 1963 \(c. 30\)](#)

- 2 . . . . . <sup>F17</sup>

##### Textual Amendments

**F17** [Sch. 1 Paras. 2, 12](#) repealed with savings by [National Loans Act 1968 \(c. 13\), s. 24\(2\), Sch. 6 Pt. I](#)

- 3 The interest on the Government stock shall be payable on the fifth day of April and the fifth day of October in each year.

- <sup>F18</sup>4 . . . . .

##### Textual Amendments

**F18** [Sch. 1 para. 4](#) repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\), Sch. 1 Pt. 17 Group 2](#)

- 5 . . . . . <sup>F19</sup>

##### Textual Amendments

**F19** [Sch. 1 para. 5](#) repealed by [Finance Act 1954 \(c. 44\), Sch. 6](#)

- 6 Section forty-seven of the <sup>M1</sup>Finance Act 1942 (which empowers the Treasury to make regulations as respects the transfer and registration of stock and registered bonds of the descriptions specified in Part I of the Eleventh Schedule to that Act), and any regulations made thereunder which are in force immediately before the appointed day, shall have effect as if the Government stock were included among the stocks mentioned in the said Part I and among the stocks to which the said regulations apply.

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**Marginal Citations**  
M1 1942 c. 21.

7 Where immediately before the appointed day any dead person is registered in the books of the Bank as the holder or one of the joint holders of any Bank stock, any Government stock purporting to be issued to him, or to him and the other joint holders, shall be deemed to be duly issued to his personal representatives, or to the survivors or the personal representatives of the last survivor of the joint holders, as the case may be; and, in the case of administrators, as well as in the case of executors, this paragraph shall have effect notwithstanding that there is no grant of representation to them until after the appointed day.

8 The Government stock issued in substitution for any Bank stock shall be held in the same rights and on the same trusts and subject to the same powers, privileges, provisions, charges, restraints and liabilities as those in, on or subject to which the Bank stock was held immediately before the appointed day, and so as to give effect to and not revoke any deed, will, order, mandate, notice or other instrument or testamentary or other disposition disposing of or affecting the Bank stock, and every such instrument or disposition shall take effect with reference to the whole or a proportionate part, as the case may be, of the substituted Government stock.

9 Trustees, executors and all other holders in any representative or fiduciary capacity of any Bank stock may hold, dispose of or otherwise deal with the Government stock issued in substitution therefor in all respects as they might have held, disposed of or otherwise dealt with the Bank stock.

<sup>F20</sup>10 .....

**Textual Amendments**  
F20 Sch. 1 para. 10 repealed (5.11.1993 with effect so far as relating to stock registered in the National Savings Stock Register, on the coming into force of the first regulations made by virtue of s. 3(1)(bb) of the National Debt Act 1972 (c. 65)) by 1993 c. 50, ss. 1(1), 4(2), Sch. 1 Pt.IX.

11 The Government stock shall be subject to the provisions of the <sup>M2</sup>National Debt Act 1870, so far as is consistent with the tenor of this Act.

**Marginal Citations**  
M2 1870 c. 71.

[<sup>F21</sup>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.]

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**Textual Amendments**

**F21** Sch. 1 para. 11A inserted (1.6.1998) by 1998 c. 11, s. 8(3); S.I. 1998/1120, art.2

12 ..... F22

**Textual Amendments**

**F22** Sch. 1 Paras. 2, 12 repealed with savings by National Loans Act 1968 (c. 13), s. 24(2), Sch. 6 Pt. I

13 The sums paid by the Bank to the Treasury in lieu of dividends on Bank stock shall be paid into the Exchequer, . . . <sup>F23</sup>

**Textual Amendments**

**F23** Words repealed with savings by National Loans Act 1968 (c. 13), s. 24(2), Sch. 6 Pt. I

[<sup>F24</sup>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.]

**Textual Amendments**

**F24** Sch. 1 para. 14 substituted (1.6.1998) by 1998 c. 11, s. 8(4); S.I. 1998/1120, art. 2

<sup>F25</sup>SECOND SCHEDULE

**Textual Amendments**

**F25** Second Schedule repealed (1.6.1998) by 1998 c. 11, s. 43, Sch. 9 Pt. I; S.I. 1998/1120, art.2

<sup>F29</sup>THIRD SCHEDULE

**Textual Amendments**

**F29** Sch. 3 repealed by Statute Law Revision Act 1950 (c. 6), s. 1, Sch. 1

..... F29

**Changes to legislation:**

There are currently no known outstanding effects for the Bank of England Act 1946.