



# Bank of England Act 1946

1946 CHAPTER 27 9 and 10 Geo 6

## 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, [<sup>F1</sup>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.]
- (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.

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*Changes to legislation: There are currently no known outstanding effects for the Bank of England Act 1946, Section 1. (See end of Document for details)*

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[<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

**Changes to legislation:**

There are currently no known outstanding effects for the Bank of England Act 1946, Section 1.