



Banking Act 1987

1987 CHAPTER 22

PART I

REGULATION OF DEPOSIT-TAKING BUSINESS

The Bank of England and the Board of Banking Supervision

1 Functions and duties of the Bank of England

- (1) The Bank of England (in this Act referred to as "the Bank") shall have the powers conferred on it by this Act and the duty generally to supervise the institutions authorised by it in the exercise of those powers.
- (2) It shall also be the duty of the Bank to keep under review the operation of this Act and developments in the field of banking which appear to it to be relevant to the exercise of its powers and the discharge of its duties.
- (3) The Bank shall, as soon as practicable after the end of each of its financial years, make to the Chancellor of the Exchequer and publish in such manner as it thinks appropriate a report on its activities under this Act in that year; and the Chancellor of the Exchequer shall lay copies of every such report before Parliament.
- (4) Neither the Bank nor any person who is a member of its Court of Directors or who is, or is acting as, an officer or servant of the Bank shall be liable in damages for anything done or omitted in the discharge or purported discharge of the functions of the Bank under this Act unless it is shown that the act or omission was in bad faith.

2 The Board of Banking Supervision

- (1) As soon as practicable after the coming into force of this section the Bank shall establish a committee to be known as the Board of Banking Supervision.
- (2) The Board shall consist of—
 - (a) three ex officio members, namely, the Governor of the Bank for the time being, who shall be the chairman of the Board, the Deputy Governor of the Bank

Status: This is the original version (as it was originally enacted).

- for the time being and the executive director of the Bank for the time being responsible for the supervision of institutions authorised under this Act; and
- (b) six independent members, that is to say, members appointed jointly by the Chancellor of the Exchequer and the Governor, being persons having no executive responsibility in the Bank.
- (3) It shall be the duty of the independent members to give such advice as they think fit to the ex officio members—
- (a) on the exercise by the Bank of its functions under this Act, either generally or in any particular respect or in relation to a particular institution or institutions; and
- (b) on any matter relating to or arising out of the exercise of those functions.
- (4) The Bank shall make regular reports to the Board on matters which the Bank considers relevant to the discharge by the independent members of their duty under subsection (3) above and shall provide them with such other information as they may reasonably require.
- (5) The ex officio members shall give written notice to the Chancellor of the Exchequer in any case in which it is decided that the advice of the independent members should not be followed and the independent members shall be entitled to place before the Chancellor the reasons for their advice.
- (6) The Board shall prepare an annual report on its activities and that report shall be included in the report made by the Bank under section 1(3) above for the financial year in question.
- (7) Section 1(4) above shall apply to an act or omission by a member of the Board in the discharge or purported discharge of his functions under this section as it applies to an act or omission of a person there mentioned in the discharge or purported discharge of the functions of the Bank.
- (8) Schedule 1 to this Act shall have effect with respect to the Board.