



## CHAPTER 12

An Act to amend the law with respect to the issue and recall of bank notes by the Bank of England.

[10th February, 1954]

**B**E it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) The Bank of England may issue bank notes of such denominations as the Treasury may approve and shall not issue any other bank notes, and any bank notes issued under this section may be put into circulation in Scotland and Northern Ireland as well as in England and Wales.

Issue and recall of bank notes by Bank of England.

(2) All bank notes issued under this section shall be legal tender in England and Wales, and all such notes of denominations of less than five pounds shall be legal tender in Scotland and Northern Ireland.

(3) Bank notes shall be payable only at the head office of the Bank of England unless expressly made payable also at some other place.

(4) The holder of bank notes of any denominations shall be entitled, on a demand made by him during office hours at the head office of the Bank of England or, in the case of notes payable also at some place other than the head office, either at the head office or at that other place, to receive in exchange for the notes bank notes of such lower denominations, being bank notes which for the time being are legal tender in the United Kingdom or in England and Wales, as he may specify.

(5) The Bank of England shall have power, on giving not less than one month's notice in the London, Edinburgh and Belfast Gazettes, to call in any bank notes on payment of the face value

thereof, and any such notes with respect to which a notice has been given under this subsection shall on the expiration of the notice cease to be legal tender.

(6) All bank notes which, immediately before the commencement of this Act, were legal tender in the United Kingdom, or were legal tender in England and Wales subject to the provisions of section six of the Bank of England Act, 1833 (under which five-pound notes were not legal tender by the Bank of England), shall be deemed to have been issued under this section and shall be legal tender accordingly in the United Kingdom or, as the case may be, in England and Wales.

3 & 4 Will. 4.  
c. 98.

Amount of  
Bank of  
England  
note issue.

2.—(1) The Bank of England shall issue bank notes up to the amount representing the gold coin and gold bullion for the time being in the issue department of the Bank, and shall in addition issue bank notes to the amount of the fiduciary note issue as determined by or under the following provisions of this section.

(2) Except as otherwise provided by a direction in force under this section, the amount of the fiduciary note issue shall be fifteen hundred and seventy-five million pounds.

(3) If the Bank of England at any time represent to the Treasury that it is expedient that the fiduciary note issue, as for the time being determined by or under this section, should be altered, the Treasury may direct that the fiduciary note issue shall be such specified amount as may be agreed between them and the Bank, and thereupon, so long as the direction is in force, the fiduciary note issue shall be that amount, and any previous direction given under this subsection and still in force shall cease to have effect.

(4) Subject to the following provisions of this section, a direction given under the last preceding subsection shall expire at the end of such period not exceeding six months as may be specified therein.

(5) Any such direction may at any time be revoked by a direction of the Treasury made on the request of the Bank of England.

(6) Any such direction may, subject to the next following subsection, from time to time be continued in force, by a direction of the Treasury made on the request of the Bank of England, for such period not exceeding six months as may be specified in the direction.

(7) No direction under this section, being a direction whereby the fiduciary note issue stands at an amount greater than that specified in subsection (2) of this section, shall continue in force

after the end of the period of two years beginning with the date on which the fiduciary note issue last stood at or below the amount so specified:

Provided that the Treasury may by order direct that the said period, or as the case may be that period as for the time being extended under this proviso, shall be extended or further extended by two years.

(8) The power to make an order under the last preceding subsection shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(9) A direction under this section shall be given by a minute of the Treasury which shall be laid before Parliament.

(10) The reference in section three of the Currency and Bank Notes Act, 1928, to the fiduciary note issue shall be construed as a reference to the fiduciary note issue as determined by or under this section. 18 & 19 Geo. 5. c. 13.

3. In this Act the following expressions have the meanings hereby respectively assigned to them, that is to say:— Interpretation.

“ bank notes ” means notes of the Bank of England payable to bearer on demand;

“ bullion ” includes any coin which is not current and legal tender in the United Kingdom;

“ coin ” means coin which is current and legal tender in the United Kingdom.

4.—(1) This Act may be cited as the Currency and Bank Notes Act, 1954. Short title,  
repeals and  
commence-  
ment.

(2) Section six of the Bank of England Act, 1833, section six of the Bankers (Ireland) Act, 1845, section fifteen of the Bank Notes (Scotland) Act, 1845, sections one, two and eight of the Currency and Bank Notes Act, 1928 and sections one and four of the Currency and Bank Notes Act, 1939 are hereby repealed, and Regulations seven AA and seven AB of the Defence (Finance) Regulations, 1939, are hereby revoked. 8 & 9 Vict. c. 37.  
8 & 9 Vict. c. 38.  
2 & 3 Geo. 6. c. 7.

(3) This Act shall come into operation on such date as the Treasury may by statutory instrument appoint.

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