



# Banking Act 1987

## 1987 CHAPTER 22

### PART I

#### REGULATION OF DEPOSIT-TAKING BUSINESS

##### *The Bank of England and the Board of Banking Supervision*

## **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 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.

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*Status: This is the original version (as it was originally enacted).*

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- (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.