



# Bank of England Act 1998

## 1998 CHAPTER 11

### PART I

#### CONSTITUTION, REGULATION AND FINANCIAL ARRANGEMENTS

##### *Financial arrangements*

#### **6 Cash ratio deposits.**

Schedule 2 (which makes provision about the maintenance of cash deposits with the Bank by certain financial institutions) shall have effect.

#### **7 Accounts.**

- (1) The Bank shall keep proper accounts and records in relation to the accounts.
- (2) The Bank shall prepare for each of its financial years a statement of accounts consisting of—
  - (a) a balance sheet as at the last day of the year, and
  - (b) a profit and loss account.
- (3) In preparing accounts under subsection (2), the Bank shall be subject to requirements corresponding to the relevant Companies Act requirements, except insofar as the accounts relate to the Issue Department.
- (4) The Bank may disregard a requirement to which it is subject under subsection (3) to the extent that it considers it appropriate to do so having regard to its functions.
- (5) The Bank shall appoint an auditor or auditors to audit its accounts, including any statement under subsection (2).
- (6) As soon as practicable after receiving the report of its auditors on a statement prepared under subsection (2), the Bank shall send a copy of—
  - (a) the report, and

*Status: Point in time view as at 01/12/2001.*

*Changes to legislation: Bank of England Act 1998, Cross Heading: Financial arrangements is up to date with all changes known to be in force on or before 23 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (b) the statement,  
to the Chancellor of the Exchequer.
- (7) The Treasury may by notice in writing to the Bank require it to publish in such manner as it thinks fit such additional information relating to its accounts as the Treasury may specify in the notice, including information which the Bank has excluded under subsection (4) from a statement under subsection (2).
- (8) The Treasury shall consult the Bank before giving a notice under subsection (7).
- (9) In subsection (3), the reference to the relevant Companies Act requirements is to the requirements to which the directors of a company which is a banking company for the purposes of the <sup>M1</sup>Companies Act 1985 are for the time being subject under that Act (except section 232) in relation to the preparation of accounts under section 226(1) of that Act.

**Marginal Citations**

**M1** 1985 c. 6.

**8 Payments in lieu of dividends.**

- (1) In section 1 of the <sup>M2</sup>Bank of England Act 1946, in subsection (4), (amount payable to Treasury in lieu of dividends on Bank stock), for the words from “the sum” to the end there is substituted “ 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. ”
- (2) In that section, at the end there is inserted—
- “(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.”
- (3) In Schedule 1 to that Act (supplemental provisions), after paragraph 11 there is inserted—
- “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.”
- (4) In that Schedule, for paragraph 14 there is substituted—
- “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.”

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**Marginal Citations**

**M2** 1946 c. 27.

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