



Bank of England Act 1998

1998 CHAPTER 11

PART II

MONETARY POLICY

Monetary Policy Committee of the Bank

13 Monetary Policy Committee

- (1) There shall be a committee of the Bank, to be known as the Monetary Policy Committee of the Bank of England, which shall have responsibility within the Bank for formulating monetary policy.
- (2) The Committee shall consist of—
 - (a) the Governor and Deputy Governors of the Bank,
 - (b) 2 members appointed by the Governor of the Bank after consultation with the Chancellor of the Exchequer, and
 - (c) 4 members appointed by the Chancellor of the Exchequer.
- (3) Of the 2 members appointed under subsection (2)(b)—
 - (a) one shall be a person who has executive responsibility within the Bank for monetary policy analysis, and
 - (b) the other shall be a person who has executive responsibility within the Bank for monetary policy operations.
- (4) The Chancellor of the Exchequer shall only appoint a person under subsection (2)(c) if he is satisfied that the person has knowledge or experience which is likely to be relevant to the Committee's functions.
- (5) Schedule 3 shall have effect with respect to the Committee.

14 Publication of statements about decisions

- (1) As soon as practicable after each meeting of the Monetary Policy Committee, the Bank shall publish a statement as to whether it was decided at the meeting that the Bank should take any action, other than action by way of intervening in financial markets, for the purpose of meeting its objectives under section 11 and, if it was, what the action is.
- (2) If, at any meeting, the Committee decides that the Bank should intervene in financial markets, it shall also consider at the meeting whether immediate publication of the decision would be likely to impede or frustrate the achievement of the intervention's purpose.
- (3) If the Committee decides under subsection (2) that immediate publication of a decision would not have the effect mentioned there, the Bank shall, when it publishes a statement under subsection (1) about the meeting, publish a statement as to what action by way of intervening in financial markets the Committee has decided the Bank should take.
- (4) If the Committee decides under subsection (2) that immediate publication of a decision would have the effect mentioned there, it shall keep under consideration the question of whether publication of the decision would still have that effect.
- (5) As soon as practicable after the Committee has decided that publication of a decision which has not been the subject of a statement under subsection (3) would no longer have the effect mentioned in subsection (2), the Bank shall publish a statement as to what action by way of intervening in financial markets the Committee decided the Bank should take and when the decision was made.
- (6) Publication under this section shall be in such manner as the Bank thinks fit.

15 Publication of minutes of meetings

- (1) After each meeting of the Monetary Policy Committee, the Bank shall publish minutes of the meeting before the end of the period of 6 weeks beginning with the day of the meeting.
- (2) Subsection (1) shall not apply to minutes of any proceedings relating to—
 - (a) a decision to intervene in financial markets, or
 - (b) a decision about the publication of a decision to intervene in financial markets, unless the Committee has decided that publication of the decision to intervene would not be likely, or would no longer be likely, to impede or frustrate the achievement of the intervention's purpose.
- (3) Minutes of proceedings relating to—
 - (a) a decision to intervene in financial markets, or
 - (b) a decision about the publication of a decision to intervene in financial markets, shall, if not required to be published before the end of the period of 6 weeks beginning with the day of the meeting, be published by the Bank before the end of the period of 6 weeks beginning with the day on which a statement about the decision to intervene is published under section 14(5).
- (4) Minutes published under this section shall record, in relation to any decision of the Committee, the voting preference of the members who took part in the vote on the decision.

(5) Publication under this section shall be in such manner as the Bank thinks fit.

16 Functions of court of directors

- (1) The court of directors of the Bank shall keep the procedures followed by the Monetary Policy Committee under review.
- (2) In particular, the court's function under subsection (1) shall include determining whether the Committee has collected the regional, sectoral and other information necessary for the purposes of formulating monetary policy.
- (3) The court's function under subsection (1) shall stand delegated to the sub-committee constituted by section 3.