

*These notes refer to the Banking Act 2009 (c.1)
which received Royal Assent on 12 February 2009*

BANKING ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 6: Banknotes: Scotland And Northern Ireland

Bank of England

Section 225: Organisation

501. This section provides that costs incurred, and sums received (for example, from financial penalties), by the Bank of England in the course of carrying out its functions under this Part constitute expenses and receipts of the Bank's Issue Department.

Section 226: Discretionary functions

502. This section provides that banknote regulations may confer a discretionary power on the Bank of England. In particular, the regulations may require compliance with conditions imposed by the Bank of England, or make a permission or option subject to the approval of the Bank of England. By way of example, matters in which such a discretion may be exercised could include the approval of locations for the holding of un-issued banknotes or backing assets by the authorised banks.

Section 227: Exemption

503. This section provides that section 221(1), which prohibits the unauthorised issue of banknotes in Scotland and Northern Ireland, does not affect the Bank of England's entitlement to put its own notes into circulation in Scotland and Northern Ireland.