



Banking Act 2009

2009 CHAPTER 1

PART 4

FINANCIAL SERVICES COMPENSATION SCHEME

173 **Borrowing from National Loans Fund**

After section 223A of the Financial Services and Markets Act 2000 (investing in National Loans Fund – inserted by section 172 above) insert—

“223B Borrowing from National Loans Fund

- (1) The scheme manager may request a loan from the National Loans Fund for the purpose of funding expenses incurred or expected to be incurred under the scheme.
- (2) The Treasury may arrange for money to be paid out of the National Loans Fund in pursuance of a request under subsection (1).
- (3) The Treasury shall determine—
 - (a) the rate of interest on a loan, and
 - (b) other terms and conditions.
- (4) The Treasury may make regulations—
 - (a) about the amounts that may be borrowed under this section;
 - (b) permitting the scheme manager to impose levies under section 213 for the purpose of meeting expenses in connection with loans under this section (and the regulations may have effect despite any provision of this Act);
 - (c) about the classes of person on whom those levies may be imposed;
 - (d) about the amounts and timing of those levies.
- (5) The compensation scheme may include provision about borrowing under this section provided that it is not inconsistent with regulations under this section.”