



Banking Act 2009

2009 CHAPTER 1

PART 7

MISCELLANEOUS

Treasury support for banks

228 Consolidated Fund

- (1) There shall be paid out of money provided by Parliament expenditure incurred—
 - (a) by the Treasury for any purpose in connection with Parts 1 to 3 of this Act,
 - (b) by the Treasury, or by the Secretary of State with the consent of the Treasury, in respect of, or in connection with giving, financial assistance to or in respect of a bank or other financial institution (other than in respect of loans made in accordance with section 229), or
 - (c) by the Treasury in respect of financial assistance to the Bank of England.
- (2) For the purpose of subsection (1)(b) expenditure is incurred in respect of financial assistance in respect of banks or other financial institutions if it is incurred in respect of an activity, transaction or arrangement, or class of activity, transaction or arrangement, which is expected to facilitate any part of the business of one or more banks or other financial institutions; and for that purpose it does not matter—
 - (a) whether or not that is the sole or principal expected effect of the activity, transaction or arrangement, or
 - (b) whether the sole or principal motive for the activity, transaction or arrangement is (i) its effect on banks or other financial institutions, (ii) its effect on the economy as a whole, (iii) its effect on a particular industry or sector of the economy, or (iv) its effect on actual or potential customers of banks or other financial institutions.
- (3) In this section “financial assistance” has the meaning given by section 257 (and an order under that section may restrict or expand the effect of subsection (2)).
- (4) This section has effect in relation to expenditure whether incurred—

Status: This is the original version (as it was originally enacted).

- (a) before or after Royal Assent, and
 - (b) in pursuance of obligations entered into before or after Royal Assent.
- (5) Expenditure which could be paid out of money provided by Parliament under subsection (1) shall be charged on and paid out of the Consolidated Fund if the Treasury are satisfied that the need for the expenditure is too urgent to permit arrangements to be made for the provision of money by Parliament.
- (6) Where money is paid in reliance on subsection (5) the Treasury shall as soon as is reasonably practicable lay a report before Parliament specifying the amount paid (but not the identity of the institution to or in respect of which it is paid).
- (7) If the Treasury think it necessary on public interest grounds, they may delay or dispense with a report under subsection (6).