



Financial Services Act 2012

2012 CHAPTER 21

PART 4

COLLABORATION BETWEEN TREASURY AND BANK OF ENGLAND, FCA OR PRA

61 Treasury power of direction

- (1) Subsection (2) applies where—
 - (a) the power of direction is exercisable by virtue of section 60(2) by reference to a public funds notification and the Treasury are satisfied that Condition A is met, or
 - (b) the power of direction is exercisable by virtue of section 60(3) by reference to the provision of qualifying financial assistance and the Treasury are satisfied that Condition A or Condition B is met.
- (2) The Treasury may give a direction to the Bank of England relating to one or more of the following—
 - (a) the provision by the Bank to one or more financial institutions of financial assistance other than ordinary market assistance offered by the Bank on its usual terms,
 - (b) the exercise by the Bank of any of the stabilisation powers, as defined by section 1(4) of the Banking Act 2009 [^{F1}or paragraph 1(4) of Schedule 11 to the Financial Services and Markets Act 2023][^{F2}or the making by the Bank of a mandatory reduction instrument within the meaning of section 6B of [^{F3}the Banking Act 2009]], or
 - (c) the exercise by the Bank of its powers under Part 3 of that Act (bank administration).
- (3) Condition A is that the giving of the direction is necessary to resolve or reduce a serious threat to the stability of the financial system of the United Kingdom which is connected—
 - (a) in case within subsection (1)(a), with the matters to which the public funds notification relates;

Status: Point in time view as at 31/12/2023.

Changes to legislation: Financial Services Act 2012, Section 61 is up to date with all changes known to be in force on or before 10 June 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) in a case within subsection (1)(b), with the matters that gave rise to the provision of the qualifying financial assistance.
- (4) Condition B is that—
- (a) the qualifying financial assistance was provided for the purpose of resolving or reducing a serious threat to the stability of the financial system of the United Kingdom, and
 - (b) the giving of the direction is necessary to protect the public interest in connection with the provision of that assistance.
- (5) References to the provision of qualifying financial assistance are to be read in accordance with section 60(5).
- (6) This section is subject to section 62.
- (7) Nothing in this section limits the powers conferred by section 4(1) of the Bank of England Act 1946 (Treasury directions to the Bank).

Textual Amendments

- F1** Words in s. 61(2)(b) inserted (31.12.2023) by [Financial Services and Markets Act 2023 \(c. 29\)](#), s. 86(3), [Sch. 11 para. 163\(4\)\(a\)](#); S.I. 2023/1382, reg. 8(b)
- F2** Words in s. 61(2)(b) inserted (1.1.2015) by [The Bank Recovery and Resolution Order 2014 \(S.I. 2014/3329\)](#), arts. 1(2), [124](#)
- F3** Words in s. 61(2)(b) substituted (31.12.2023) by [Financial Services and Markets Act 2023 \(c. 29\)](#), s. 86(3), [Sch. 11 para. 163\(4\)\(b\)](#); S.I. 2023/1382, reg. 8(b)

Commencement Information

- I1** S. 61 in force at 1.4.2013 by [S.I. 2013/423](#), art. 3, [Sch.](#)

Status:

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