

ENTERPRISE AND REGULATORY REFORM ACT 2013

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1: Uk Green Investment Bank Plc

Section 2: Designation of the UK Green Investment Bank

30. *Subsection (1)* of section 2 introduces a power for the Secretary of State to designate the UK Green Investment Bank plc by order for the purposes of sections 3 to 6, subject to three conditions being met.
31. *Subsections (2)* and *(3)* set out the first two conditions. These require the Secretary of State to be satisfied that the UK Green Investment Bank plc's statement of objects, in its articles, is drafted in terms that will ensure that this company engages only in activities that contribute to achieving one or more of the statutory 'green purposes' stated in section 1 and that its investment activities would, taken as a whole, be likely to contribute to a reduction of global greenhouse gas emissions.
32. *Subsection (5)* sets out the third condition, which is that the Secretary of State must have provided the UK Green Investment Bank plc with an operational independence undertaking and laid this before Parliament. The purpose of the operational independence undertaking is to facilitate the UK Green Investment Bank plc's ability to operate independently, so that it can make investments that it considers appropriate in the light of its statement of objects, at arm's length from Government.
33. *Subsection (6)* introduces a limitation on the power to designate contained in subsection (1). The Secretary of State may only exercise this power if the UK Green Investment Bank plc is wholly owned by the Crown. *Subsection (7)* provides that an order under subsection (1) cannot be amended or revoked.
34. *Subsection (8)* provides that the power in subsection (1) is subject to the affirmative resolution of Parliament.