

2005 No. 339

PENSIONS

The Pension Protection Fund (Limit on Borrowing) Order 2005

Made - - - - - 16th February 2005

Laid before Parliament 16th February 2005

Coming into force - - - 9th March 2005

The Secretary of State for Work and Pensions, in exercise of the powers conferred on him by section 115(3) of the Pensions Act 2004(a), and of all other powers enabling him in that behalf, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Pension Protection Fund (Limit on Borrowing) Order 2005 and shall come into force on 9th March 2005.

Limit on borrowing

2. The limit specified for the purposes of section 115(3) of the Pensions Act 2004 (borrowing limit for the purposes of section 115(2)) is £25 million.

Signed by authority of the Secretary of State for Work and Pensions.

16th February 2005

Malcolm Wicks
Minister of State,
Department for Work and Pensions

(a) 2004 (c.35).

EXPLANATORY NOTE

(This note is not part of the Order)

The Board of the Pension Protection Fund ('the Board') is established under section 107 of the Pensions Act 2004 (c. 35) ('the Act'). Section 115(1) of the Act enables the Board to borrow such sums as it may require for exercising any of its functions. Section 115(2) of the Act provides that the Board may not borrow if to do so would take the aggregate amount outstanding of the principal sums borrowed by it over its borrowing limit or increase the amount by which the outstanding aggregate amount exceeds that limit.

Section 115(3) of the Act defines "borrowing limit" as such limit which may be specified by order. Article 2 of this Order specifies that limit as £25 million.

A full regulatory impact assessment has not been produced for the instrument as it has no impact on the costs of business.

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