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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations appoint the day on which section 112 of the Finance Act 2020 comes into force. Section 3 of the National Loans Act 1968 (“the 1968 Act”) enables the Treasury to make local loans from sums issued for that purpose out of the National Loans Fund.

Section 4(1) of the 1968 Act sets a limit for those loans. That section provides that the aggregate of any commitments of the Treasury to grant local loans, and any amount outstanding in respect of the principal of any local loans, must not exceed £85 billion or such lower or higher sum not exceeding £95 billion as the Treasury may from time to time specify by order.

Once in force, section 112 of the Finance Act 2020 will replace the amounts £85 billion and £95 billion in section 4(1) of the 1968 Act with the amounts £115 billion and £135 billion respectively. It will also revoke the Local Loans (Increase of Limit) Order 2019 ([S.I. 2019/1317](#)).

An impact assessment has not been prepared for this instrument because no impact on the private or voluntary sector is foreseen.