



# National Loans Act 1968

## 1968 CHAPTER 13

### *Use of National Loans Fund for other purposes*

#### **7 Exchange Equalisation Account**

- (1) There shall be issued to the Exchange Equalisation Account out of the National Loans Fund, at such times and in such manner as the Treasury may direct, such sums as the Treasury may determine, and section 24(4) of the Finance Act 1932 (issues out of the Consolidated Fund) shall cease to have effect.
- (2) Sums issued to the said Account under subsection (1) above or the said section 24(4) which are for the time being outstanding shall constitute a liability of the said Account to the National Loans Fund.
- (3) If at any time the Treasury are of opinion that the assets in sterling of the said Account are for the time being in excess of what is required for the purposes of the Account, the Treasury may direct that the excess shall be paid into the National Loans Fund.
- (4) Section 24(2) of the Finance Act 1932 (winding up of Exchange Equalisation Account) shall cease to have effect.

#### **8 Government annuities**

- (1) All immediate life annuities mentioned in section 8(1) of the Government Annuities Act 1929, and all immediate savings bank annuities, shall be charged on and issued out of the National Loans Fund, with recourse to the Consolidated Fund.
- (2) Accordingly in the said Act,—
  - (a) in sections 8(1), 19 and 24(3) in Part I, and
  - (b) in sections 41(1)(3), 55 and 59(3) in Part II,for " Consolidated Fund " there shall be substituted " National Loans Fund ".

## **9 Profits of note issue**

- (1) Subject to subsection (5) below, amounts payable to the Treasury under section 6(1) of the Currency and Bank Notes Act 1928 (profits of the Issue Department of the Bank of England) shall be paid into the National Loans Fund.
- (2) The assets held in the said Department shall be valued, at market prices, at such times and in such manner as may be agreed between the Treasury and the Bank of England, but at least once in each financial year.
- (3) If, as the result of any such valuation, the value of the assets then held in the said Department falls short of the total amount of the Bank of England notes then outstanding, the Treasury shall assume a liability to the said Department of an amount equal to the difference.
- (4) Any liability assumed under subsection (3) above—
  - (a) shall be included among the assets held to cover the fiduciary note issue in accordance with section 3(1) of the Currency and Bank Notes Act 1928,
  - (b) shall be subject to such conditions as to repayment and other matters as may be agreed between the Bank of England and the Treasury, but shall not bear interest,
  - (c) shall be charged on the National Loans Fund with recourse to the Consolidated Fund.
- (5) So long as any part of any liability assumed under subsection (3) above is outstanding, any amount due to be paid to the Treasury under section 6(1) of the Currency and Bank Notes Act 1928 shall instead be applied towards meeting that liability.