



# National Loans Act 1968

## 1968 CHAPTER 13

### *National debt*

#### **12 Power of Treasury to borrow.**

- (1) [<sup>F1</sup>Any money which the Treasury consider it expedient to raise for the purpose of promoting sound monetary conditions in the United Kingdom and] any money required—
- (a) for providing the sums required to meet any excess of payments out of the National Loans Fund over receipts into the National Loans Fund, and
  - (b) for providing any necessary working balance in the National Loans Fund,
- may be raised in such manner and on such terms and conditions as the Treasury think fit, and money so raised shall be paid into the National Loans Fund.

[<sup>F2</sup>(1A) The terms (as to interest or otherwise) on which any balance for the time being in the National Loans Fund is to be held shall be such as may be agreed between the Treasury and the Bank of England.]

- (2) For the purpose of raising money under this section the Treasury may create and issue such securities, at such rates of interest and subject to such conditions as to repayment, redemption and other matters (including provision for a sinking fund) as they think fit.
- (3) For the avoidance of doubt it is hereby declared that the power to raise money under this section extends to raising money either within or outside the United Kingdom and either in sterling or in any other currency or medium of exchange, whether national or international.
- (4) The principal of and interest on any money borrowed under this section, and of any money due under securities issued under this section, and—
  - (a) any sums required to be set aside for the purpose of any sinking fund established under this section,
  - (b) any other sums to be paid by the Treasury in accordance with the terms on which they borrow,
  - (c) any expenses incurred in connection with the raising of money or the issue, repayment or redemption of securities under this section,

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*Changes to legislation:* There are currently no known outstanding effects for the National Loans Act 1968, Section 12. (See end of Document for details)

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shall be charged on and paid out of the National Loans Fund with recourse to the Consolidated Fund.

- (5) The power to raise money under this section extends—
- (a) to raising money through [<sup>F3</sup>a Post Office company (within the meaning of Part 1 of the Postal Services Act 2011)] [<sup>F4</sup>such a company] of national savings certificates, and by the issue of the stamps and tokens described in section 35 of the <sup>M1</sup>Finance Act 1961 (national savings stamps and gift tokens), and
  - (b) to raising money by the issue of Treasury Bills under the <sup>M2</sup>Treasury Bills Act 1877.
- (6) In raising money under this section by the creation and issue—
- (a) of tax reserve certificates, national development bonds, or premium savings bonds, or
  - (b) of national savings certificates,
- any stock of forms prepared before the passing of this Act may be employed, pending the printing and issue of new forms, notwithstanding that the forms were prepared by reference to the raising of money under the <sup>M3</sup>National Loans Act 1939 or, as the case may be, section 7 of the <sup>M4</sup>National Debt Act 1958, and any security so issued shall be valid and effectual as if purporting to be issued in pursuance of this section instead of purporting to be issued in pursuance of the said Act of 1939 or the said Act of 1958.
- (7) The Bank of England may lend any sums which the Treasury have power to borrow under this section, . . . <sup>F5</sup>

#### Textual Amendments

- F1** Words inserted by [Finance Act 1982 \(c. 39, SIF 99:3\)](#), **s. 152(1)**
- F2** S. 12(1A) inserted by [Finance Act 1982 \(c. 39, SIF 99:3\)](#), **s. 152(2)**
- F3** Words in s. 12(5)(a) substituted (1.10.2011) by [Postal Services Act 2011 \(c. 5\)](#), s. 93(2)(3), **Sch. 12 para. 88(a)**; S.I. 2011/2329, art. 3
- F4** Words in s. 12(5)(a) substituted (1.10.2011) by [Postal Services Act 2011 \(c. 5\)](#), s. 93(2)(3), **Sch. 12 para. 88(b)**; S.I. 2011/2329, art. 3
- F5** Words repealed by [Statute Law Repeals Act 1973 \(c. 39\)](#), **Sch. 1 Pt. IV**

#### Modifications etc. (not altering text)

- C1** S. 12 extended by [Finance Act 1969 \(c. 32\)](#), **s. 52**, [Air Corporations Act 1969 \(c. 43\)](#), **Sch. 1 para. 3**, and [Post Office Act 1969 \(c. 48\)](#), **s. 109**
- C2** S. 12 modified (28.7.2000) by [2000 c. 17](#), **s. 153(1)**

#### Marginal Citations

- M1** 1961 c. 36.
- M2** 1877 c. 2.
- M3** 1939 c. 117.
- M4** 1958 c. 6 (7 & 8 Eliz. 2).

**Changes to legislation:**

There are currently no known outstanding effects for the National Loans Act 1968, Section 12.