



# Bank Charter Act 1844

## 1844 CHAPTER 32

### **Bank to establish a separate Department for the Issue of Notes.**

That from and after the Thirty-first Day of *August* One thousand eight hundred and forty-four the Issue of Promissory Notes of the Governor and Company of the Bank of *England*, payable on Demand, shall be separated and thenceforth kept wholly distinct from the General Banking Business of the said Governor and Company ; and the Business of and relating to such Issue shall be thenceforth conducted and carried on by the said Governor and Company in a separate Department to be called " The Issue Department of the Bank of *England*," subject to the Rules and Regulations herein-after contained ; and it shall be lawful for the Court of Directors of the said Governor and Company, if they shall think fit, to appoint a Committee or Committees of Directors for the Conduct and Management of such Issue Department of the Bank of *England*, and from Time to Time to remove the Members, and define, alter, and regulate the Constitution and Powers of such Committee, as they shall think fit, subject to any Byelaws, Rules, or Regulations which may be made for that Purpose : Provided nevertheless, that the said Issue Department shall always be kept separate and distinct from the Banking Department of the said Governor and Company.

### **II Management of the Issue by Bank of England.**

And be it enacted, That upon the Thirty-first day of *August* One thousand eight hundred and forty-four there shall be transferred, appropriated, and set apart by the said Governor and Company to the Issue Department of the Bank of *England* Securities to the "Value of Fourteen million Pounds, whereof the Debt due by the Public to the said Governor and Company shall be and be deemed a Part; and there shall also at the same Time be transferred, appropriated, and set apart by the said Governor and Company to the said Issue Department so much of the Gold Coin and Gold and Silver Bullion then held by the Bank of *England* as shall not be required by the Banking Department thereof ; and thereupon there shall be delivered out of the said Issue Department into the said Banking Department of the Bank of *England* such an Amount of Bank of *England* Notes as, together with the Bank of *England* Notes then in circulation, shall be equal to the aggregate Amount of the Securities, Coin, and Bullion so transferred to the said Issue Department of the Bank of *England*; and the whole Amount of Bank of *England* Notes then in circulation, including those delivered to the Banking Department of the Bank of *England* as aforesaid, shall be deemed to be

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*Status: This is the original version (as it was originally enacted).*

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issued on the Credit of such Securities, Coin, and Bullion so appropriated and set apart to the said Issue Department; and from thenceforth it shall not be lawful for the said Governor and Company to increase the Amount of Securities for the Time being in the said Issue Department, save as herein-after is mentioned, but it shall be lawful for the said Governor and Company to diminish the Amount of such Securities, and again to increase the same to any Sum not exceeding in the whole the Sum of Fourteen million Pounds, and so from Time to Time as they shall see Occasion; and from and after such Transfer and Appropriation to the said Issue Department as aforesaid it shall not be lawful for the said Governor and Company to issue Bank of *England* Notes, either into the Banking Department of the Bank of *England*, or to any Persons "or Person whatsoever, save in exchange for other Bank of *England* Notes, or for Gold Coin or for Gold or Silver Bullion received or purchased for the said Issue Department under the Provisions of this Act, or in exchange for Securities acquired and taken in the said Issue Department under the Provisions herein contained : Provided always, that it shall be lawful for the said Governor and Company in their Banking Department to issue all such Bank of *England* Notes as they shall at any Time receive from the said Issue Department or otherwise, in the same Manner in all respects as such Issue would be lawful to any other Person or Persons.

### **III Proportion of Silver Bullion to be retained in the Issue Department.**

And whereas it is necessary to limit the Amount of Silver Bullion on which it shall be lawful for the Issue Department of the Bank of *England* to issue Bank of *England* Notes : Be it therefore enacted, That it shall not be lawful for the Bank of *England* to retain in the Issue Department of the said Bank at any One Time an Amount of Silver Bullion exceeding One Fourth Part of the Gold Coin and Bullion at such Time held by the Bank of *England* in the Issue Department.

### **IV All Persons may demand of the Issue Department Notes for Gold Bullion.**

And be it enacted, That from and after the Thirty-first Day of *August* One thousand eight hundred and forty-four all Persons shall be entitled to demand from the Issue Department of the Bank of *England* Bank of *England* Notes in exchange for Gold Bullion, at the Rate of Three Pounds Seventeen Shillings and Ninepence per Ounce of Standard Gold: Provided always, that the said Governor and Company shall in all Cases be entitled to require such Gold Bullion to be melted and assayed by Persons approved by the said Governor and Company, at the Expense of the Parties tendering such Gold Bullion.

### **V Power to increase Securities in the Issue Department, and issue additional Notes.**

Provided always, and be it enacted, That if any Banker who on the Sixth Day of *May* One thousand eight hundred and forty-four was issuing his own Bank Notes shall cease to issue his own Bank Notes, it shall be lawful for Her Majesty in Council, at any Time after the Cessation of such Issue, upon the Application of the said Governor and Company, to authorize and empower the said Governor and Company to increase the Amount of Securities in the said Issue Department beyond the total Sum or Value of Fourteen million Pounds, and thereupon to issue additional Bank of *England* Notes to an Amount not exceeding such increased Amount of Securities specified in such Order in Council, and so from Time to Time : Provided always, that such increased Amount of Securities specified in-such Order in Council shall in no Case exceed the Proportion of Two Thirds the Amount of Bank Notes which the Banker so ceasing to

issue may have been authorized to issue under the Provisions of this Act; and every such Order in Council shall be published in the next succeeding *London Gazette*.

#### **VI Account to be rendered by the Bank of England.**

And be it enacted, That an Account of the Amount of Bank of *England* Notes issued by the Issue Department of the Bank of *England*, and of Gold Coin and of Gold and Silver Bullion respectively, and of Securities in the said Issue Department, and also an Account of the Capital Stock, and the Deposits, and of the Money and Securities belonging to the said Governor and Company in the Banking Department of the Bank of *England*, on some Day in every Week to be fixed by the Commissioners of Stamps and Taxes, shall be transmitted by the said Governor and Company weekly to the said Commissioners in the Form prescribed in the Schedule hereto annexed marked (A.), and shall be published by the said Commissioners in the next succeeding *London Gazette* in which the same may be conveniently inserted.

#### **VII Bank of England exempted from Stamp Duty upon their Notes.**

And be it enacted, That from and after the said Thirty-first Day of *August* One thousand eight hundred and forty-four the said Governor and Company of the Bank of *England* shall be released and discharged from the Payment of any Stamp Duty, or Composition in respect of Stamp Duty, upon or in respect of their Promissory Notes payable to Bearer on Demand ; and all such Notes shall thenceforth be and continue free and wholly exempt from all Liability to any Stamp Duty whatsoever.

#### **VIII Bank to allow 180,000l. per Annum.**

And be it enacted, That from and after the said Thirty-first Day of *August* One thousand eight hundred and forty-four the Payment or Deduction of the annual Sum of One hundred and twenty thousand Pounds, made by the said Governor and Company, under the Provisions of the said Act passed in the Fourth Year of the Reign of His late Majesty King *William* the Fourth, out of the Sums payable to them for the Charges of Management of the Public Unredeemed Debt, shall cease, and in lieu thereof the said Governor and Company, in consideration of the Privileges of exclusive Banking, and the Exemption from Stamp Duties, given to them by this Act, shall, during the Continuance of such Privileges and such' Exemption respectively, but no longer, deduct and allow to the Public, from the Sums now payable by Law to the said Governor and Company for the Charges of Management of the Public Unredeemed Debt, the annual Sum of One hundred and eighty thousand Pounds, anything in any Act or Acts of Parliament, or in any Agreement, to the contrary notwithstanding: Provided always, that such Deduction shall in no respect prejudice or affect the Rights of the said Governor and Company to be paid for the Management of the Public Debt at the Rate and according to the Terms provided in an Act passed in the Forty-eighth Year of the Reign of His. late Majesty King *George* the Third, intituled *An Act to authorize the advancing for the Public Service, upon certain Conditions, a Proportion of the Balance remaining in the Bank of England, for the Payment of Unclaimed Dividends, Annuities, and Lottery Prizes, and for regulating the Allowances to be made for the Management of the National Debt.*

**IX Bank to allow the Public the Profits of increased Circulation.**

And be it enacted, That in case, under the Provisions herein-before contained, the Securities held in the said Issue Department of the Bank of *England* shall at any Time be increased beyond the total Amount of Fourteen million Pounds, then and in each and every Year in which the same shall happen, and so long as such Increase shall continue, the said Governor and Company shall, in addition to the said annual Sum of One hundred and eighty thousand Pounds, make a further Payment or Allowance to the Public, equal in Amount to the net Profit derived in the said Issue Department during the current Year from such additional Securities, after deducting the Amount of the Expenses occasioned by the additional Issue during the same Period, which Expenses shall include the Amount of any and every Composition or Payment to be made by the said Governor and Company to any Banker in consideration of the Discontinuance at any Time hereafter of the Issue of Bank Notes by such Banker ; and such further Payment or Allowance to the Public by the said Governor and Company shall, in every Year while the Public shall be entitled to receive the same, be deducted from the Amount by Law payable to the said Governor and Company for the Charges of Management of the Unredeemed Public Debt, in the same Manner as the said annual Sum of One hundred and eighty thousand Pounds is hereby directed to be deducted therefrom.

**X No new Bank of Issue.**

And be it enacted, That from and after the passing of this Act no Person other than a Banker who on the Sixth Day of *May* One thousand eight hundred and forty-four was lawfully issuing his own Bank Notes shall make or issue Bank Notes in any Part of the United Kingdom.

**XI Restriction against Issue of Bank Notes.**

And be it enacted, That from and after the passing of this Act it shall not be lawful for any Banker to draw, accept, make, .or issue in *England* or *Wales*, any Bill of Exchange or Promissory Note or Engagement for the Payment of Money payable to Bearer on Demand, or to borrow, owe, or take up. in *England* or *Wales*, any Sums or Sum of Money on the Bills or Notes of such Banker payable to Bearer on Demand, save and except that it shall be lawful for any Banker who was on the Sixth Day of *May* One thousand eight hundred and forty-four carrying on the Business of a Banker in *England* or *Wales*, and was then lawfully issuing, in *England* or *Wales*, his own Bank Notes, under the Authority of a Licence -to that Effect, to continue to issue such Notes to the Extent and under the Conditions herein-after mentioned, but not further or otherwise ; and the Right of any Company or Partnership to continue to issue such Notes shall not be in any Manner prejudiced or affected by any Change which may hereafter take place in the personal Composition of such Company or Partnership, either by the Transfer of any Shares or Share therein, or by the Admission of any new Partner or Member thereto, or by the Retirement of any present Partner or Member therefrom : Provided always, that it shall not be lawful for any Company or Partnership now consisting of only Six or less than Six Persons to issue Bank Notes at any Time after the Number of Partners therein shall exceed Six in the whole.

**XII Bankers ceasing to issue Notes may not resume.**

And be it enacted, That if, any Banker in any Part of the United Kingdom who after the passing of this Act shall be entitled to issue Bank Notes shall become bankrupt,

or shall cease to carry on the Business of a Banker, or shall discontinue the Issue of Bank Notes, either by Agreement with the Governor and Company of the Bank of *England* or otherwise, it shall not be lawful for such Banker at any Time thereafter to issue any such Notes.

### **XIII Existing Banks of Issue to continue, under certain Limitations.**

And be it enacted, That every Banker claiming under this Act to continue to issue Bank Notes in *England* or *Wales* shall, within One Month next after the passing of this Act, give Notice in Writing to the Commissioners of Stamps and Taxes at their Head Office in *London* of such Claim, and of the Place and Name and Firm at and under which such Banker has issued such Notes during the Twelve Weeks next preceding the Twenty-seventh Day of *April* last; and thereupon the said Commissioners shall ascertain if such Banker was on the Sixth Day of *May* One thousand eight hundred and forty-four carrying on the Business of a Banker, and lawfully issuing his own Bank Notes in *England* or *Wales*, and if it shall so appear then the said Commissioners shall proceed to ascertain the average Amount of the Bank Notes of such Banker which were in circulation during the said Period of Twelve Weeks preceding the Twenty-seventh Day of *April* last, according to the Returns made by such Banker in pursuance of the Act passed in the Fourth and Fifth Years of the Reign of Her present Majesty, intituled *An Act to make further Provision relative to the 'Returns to be made by Banks of the Amount of their Notes in circulation'*; and the said Commissioners or any Two of them shall certify under their Hands to such Banker the said Average Amount, when so ascertained as aforesaid; and it shall be lawful for every such Banker to continue to issue his own Bank Notes after the passing of this Act: Provided nevertheless, that such Banker shall not at any Time after the Tenth Day of *October* One thousand eight hundred and forty-four have in circulation upon the Average of a Period of Four Weeks, to be ascertained as hereinafter mentioned, a greater Amount of Notes than the Amount so certified.

### **XIV Provision for united Banks.**

Provided always, and be it enacted, that if it shall be made to appear to the Commissioners of Stamps and Taxes that any Two or more Banks have, by written Contract or Agreement (which Contract or Agreement shall be produced to the said Commissioners), become united within the Twelve Weeks next preceding such Twenty-seventh Day of *April* as aforesaid, it shall be lawful for the said Commissioners to ascertain the average Amount of the Notes of each such Bank in the Manner herein-before directed, and to certify the average Amount of the Notes of the Two or more Banks so united as the Amount which the united Bank shall thereafter be authorized to issue, subject to the Regulations of this Act.

### **XV Duplicate Certificate to be published in the Gazette.**

And be it enacted, that the Commissioners of Stamps and Taxes shall, at the Time of certifying to any Banker such Particulars as they are herein-before required to certify, also publish a Duplicate of their Certificate thereof in the next succeeding *London Gazette* in which the same may be conveniently inserted; and the *Gazette* in which such Publication shall be made shall be conclusive Evidence in all Courts whatsoever of the Amount of Bank Notes which the Banker named in such Certificate or Duplicate is by Law authorized to issue and to have in circulation as aforesaid.

**XVI In case Banks become united, Commissioners to certify the Amount of Bank Notes which each Bank was authorized to issue.**

And be it enacted, That in case it shall be made to appear to the Commissioners of Stamps and Taxes, at any Time hereafter, that any two or more Banks, each such Bank consisting of not more than Six Persons, have, by written Contract or Agreement (which Contract or Agreement shall be produced to the said Commissioners) become united subsequently to the passing of this Act, it shall be lawful to the said Commissioners, upon the Application of such united Bank, to certify, in manner herein-before mentioned, the aggregate of the Amounts of Bank Notes which such separate Banks were previously authorized to issue, and so from Time to Time; and every such Certificate shall be published in manner herein-before directed ; and from and after such Publication the Amount therein stated shall be and be deemed to be the Limit of the Amount of Bank Notes which such united Bank may have in circulation : Provided always, that it shall not be lawful for any such united Bank to issue Bank Notes at any Time after the Number of Partners therein shall exceed Six in the whole.

**XVII Penalty on Banks issuing in excess.**

And be it enacted, That if the monthly average Circulation of Bank Notes of any Banker, taken in the Manner herein-after directed, shall at any Time exceed the Amount which such Banker is authorized to issue and to have in circulation under the Provisions of this Act, such Banker shall in every such Case forfeit a Sum equal to the Amount by which the average monthly Circulation, taken as aforesaid, shall have exceeded the Amount which such Banker was authorized to issue and to have in circulation as aforesaid.

**XVIII Issuing Banks to render Accounts.**

And be it enacted, That every Banker in *England* and *Wales* who, after the Tenth Day of *October* One Thousand eight hundred and forty-four, shall issue Bank Notes, shall, on some One Day in every Week after the Nineteenth Day of *October* One thousand eight hundred and forty-four (such Day to be fixed by the Commissioners of Stamps and Taxes), transmit to the said Commissioners an Account of the Amount of the Bank Notes of such Banker in circulation on every Day during the Week ending -on the next preceding *Saturday*, and also an Account of the average Amount of the Bank Notes of such Banker in circulation during the same Week ; and on completing the First Period of Four Weeks, and so on completing each successive Period of Four Weeks, every such Banker shall annex to such Account the average Amount of Bank Notes of such Banker in circulation during the said Four Weeks, and also the Amount of Bank Notes which such Banker is authorized to issue under the Provisions of this Act; and every such Account shall be verified by the Signature of such Banker or his chief Cashier, or, in the Case of a Company or Partnership, by the Signature of a Managing Director or Partner or chief Cashier of such Company or Partnership, and shall be made in the Form to this Act annexed marked (B.); and so much of the said Return as states the weekly average Amount of the Notes of such Bank shall be published by the said Commissioners in the next succeeding *London Gazette* in which the same may be conveniently inserted, and if any such Banker shall neglect or refuse to render any such Account in the Form and at the Time required by this Act, or shall at any Time render a false Account, such Banker shall forfeit the Sum of One hundred Pounds for every such Offence.

**XIX Mode of ascertaining the average Amount of Bank Notes of each Banker in circulation during the first Four Weeks after 10th October 1844.**

And be it enacted, That for the Purpose of ascertaining the monthly average Amount of Bank Notes of each Banker in circulation, the aggregate of the Amount of Bank Notes of each such Banker in circulation on every Day of Business during the first complete Period of Four Weeks next after the Tenth Day of *October* One thousand eight hundred and forty-four, such Period ending on a *Saturday*, shall be divided by the Number of Days of Business in such Four Weeks, and the Average so ascertained shall be deemed to be the Average of Bank Notes of each such Banker in circulation during such Period of Four Weeks, and so in each successive Period of Four Weeks, and such Average is not to exceed the Amount certified by the Commissioners of Stamps and Taxes as aforesaid.

**XX Commissioners of Stamps and Taxes empowered to cause the Books of Bankers containing Accounts of their Bank Notes in circulation to be inspected. Penalty for refusing to allow such Inspection.**

And whereas, in order to insure the rendering of true and faithful Accounts of the Amount of Bank Notes in circulation as directed by this Act, it is necessary that the Commissioners of Stamps and Taxes should be empowered to cause the Books of Bankers issuing such Notes to be inspected, as herein-after mentioned: Be it therefore enacted, That all and every the Book and Books of any Banker who shall issue Bank Notes under the Provisions of this Act in which shall be kept, contained, or entered any Account, Minute, or Memorandum of or relating to the Bank Notes issued or to be issued by such Banker, or of or relating to the Amount of such Notes in circulation from Time to Time, or any Account, Minute, or Memorandum the Sight or Inspection whereof may tend to secure the rendering of true Accounts of the average Amount of such Notes in circulation, as directed by this Act, or to Test the Truth of any such Account, shall be open for the Inspection and Examination, at all reasonable Times, of any Officer of Stamp Duties authorized in that Behalf by Writing, signed by the Commissioners of Stamps and Taxes or any Two of them; and every such Officer shall be at liberty to take Copies of or Extracts from any such Book or Account as aforesaid; and if any Banker or other Person keeping any such Book, or having the Custody or Possession thereof, or Power to produce the same, shall, upon Demand made, by any such Officer, showing (if required) his Authority in that Behalf, refuse to produce any such Book to such Officer for his Inspection and Examination, or to permit him to inspect and examine the same, or to take Copies thereof or Extracts therefrom, or of or from any such Account, Minute, or Memorandum as aforesaid kept, contained, or entered therein, every such Banker or other Person so offending shall for every such Offence forfeit the Sum of One hundred Pounds ; Provided always, that the said Commissioners shall not exercise the Powers aforesaid without the Consent of the Commissioners of Her Majesty's Treasury.

**XXI All Bankers to return Names once a Year to the Stamp Office.**

And be it enacted, That every Banker in *England* and *Wales* who is now carrying on or shall hereafter carry on Business as such shall on the First Day of *January* in each Year, or within Fifteen Days thereafter, make a Return to the Commissioners of Stamps and Taxes at their Head Office in *London* of his Name, Residence, and Occupation, or, in the Case of a Company or Partnership, of the Name, Residence, and Occupation of every Person composing or being a Member of such Company or Partnership, and also the Name of the Firm under which such Banker, Company, or Partnership carry

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on the Business of Banking, and of every Place where such Business is carried on; and if any such Banker, Company, or Partnership shall omit or refuse to make such Return within Fifteen Days after the said First Day of *January*, or shall wilfully make other than a true Return of the Persons as herein required, every Banker, Company, or Partnership so offending shall forfeit and pay the Sum of Fifty Pounds ; and the said Commissioners of Stamps and Taxes shall on or before the First Day of *March* in every Year publish in some Newspaper circulating within each Town or County respectively a Copy of the Return so made by every Banker, Company, or Partnership carrying on the Business of Bankers within such Town or County respectively, as the Case may be.

**XXII Bankers to take out a separate Licence for every Place at which they issue Notes or Bills. Proviso in favour of Bankers who had Four such Licences in force on the 6th May 1844.**

And be it enacted, That every Banker who shall be liable by Law to take out a Licence from the Commissioners of Stamps and Taxes to authorize the issuing of Notes or Bills shall take out a separate and distinct Licence for every Town or Place at which he shall, by himself or his Agent, issue any Notes or Bills requiring such Licence to authorize the issuing thereof, anything in any former Act contained to the contrary thereof notwithstanding : Provided always, that no Banker who on or before the Sixth Day of *May* One thousand eight hundred and forty-four had taken out four such Licences, which on the said last-mentioned Day were respectively in force, for the issuing of any such Notes or Bills at more than Pour separate Towns or Places, shall at any Time hereafter be required to take out or to have in force at one and the same Time more than Pour such Licences to authorize the issuing of such Notes or Bills at all or any of the same Towns or Places specified in such Licences in force on the said Sixth Day of *May* One thousand eight hundred and forty-four, and at which Towns or Places respectively such Bankers had on or before the said last-mentioned Day issued such Notes or Bills in pursuance of such Licences or any of them respectively.

**XXIII Compensation to certain Bankers named in the Schedule.**

And whereas the several Bankers named in the Schedule hereto annexed marked (C.) have ceased to issued their own Bank Notes under certain Agreements with the Governor and Company of the Bank of *England*; and it is expedient that such Agreements should cease and determine on the Thirty-first Day of *December* next, and that such Bankers should receive by way of Compensation such Composition as hereafter mentioned; and a List of .such Bankers, and a Statement of the maximum Sums in respect of which each such Banker is to receive Compensation, hath been delivered to the Commissioners of Stamps and Taxes, signed by the Chief Cashier of the Bank of *England* : Be it therefore enacted, that the several Agreements subsisting between the said Governor and Company and the several Bankers mentioned in the Schedule hereto relating to the Issue of Bank of *England* Notes, shall cease and determine on the Thirty-first Day of *December* next; and from and after that Day the said Governor and Company shall pay and allow to the several Bankers named in the Schedule hereto marked (C.), so long as such Bankers shall be willing to receive the same, a Composition at and after the Rate of One Pound *per Centum per Annum* on the average Amount of the Bank of *England* Notes issued by such Bankers respectively and actually remaining in circulation, to be ascertained as follows ; (that is to say,) on some Day in the Month of *April* One thousand eight hundred and forty-five, to be determined by the said Governor and Company, an Account shall be taken of the Bank of *England* Notes delivered to such Bankers respectively by the said Governor



and Company within Three Months next preceding, and of such of the said Bank of *England* Notes as shall have been returned to the Bank of *England*, and the Balance shall be deemed to be the Amount of the Bank of *England* Notes issued by such Bankers respectively and kept in circulation; and a similar Account shall be taken at Intervals of Three Calendar Months; and the Average of the Balances ascertained on taking Four such Accounts shall be deemed to be the average Amount of Bank of *England* Notes issued by such Bankers respectively and kept in circulation during the Year One thousand eight hundred and forty-five, and on which Amount such Bankers are respectively to receive the aforesaid Composition of One *per Centum* for the Year One thousand eight hundred and forty-five; and similar Accounts shall be taken in each succeeding Year; but in each Year such Accounts shall be taken in different Months from those in which the Accounts of the last preceding Year were taken, and on different Days of the Month, such Months and Days to be determined by the said Governor and Company; and the Amount of the Composition payable as aforesaid shall be paid by the said Governor and Company out of their own Funds ; and in case any Difference shall arise between any of such Bankers and the Governor and Company of the Bank of *England* in respect of the Composition payable as aforesaid, the same shall be determined by the Chancellor of the Exchequer for the Time being, or by some Person to be named by him, and the Decision of the Chancellor of the Exchequer, or his Nominee, shall be final and conclusive : Provided always, that it shall be lawful for any Banker named in the Schedule hereto annexed marked (C.) to discontinue the Receipt of such Composition as aforesaid, but no such Banker shall by such Discontinuance as aforesaid thereby acquire any Right or Title to issue Bank Notes.

#### **XXIV Bank of England to be allowed to compound with Issuing Banks. Limitation of Compositions.**

And be it enacted, That it shall be lawful for the said Governor and Company to agree with every Banker who, under the Provisions of this Act, shall be entitled to issue Bank Notes, to allow to such Banker a Composition at the Rate of One *per Centum per Annum* on the Amount of Bank of *England* Notes which shall be issued and kept in circulation by such Banker, as a Consideration for his Relinquishment of the Privilege of issuing his own Bank Notes; and all the Provisions herein contained for ascertaining and determining the Amount of Composition payable to the several Bankers named in the Schedule hereto marked (C.) shall apply to all such other Bankers with whom the said Governor and Company are hereby authorized to agree as aforesaid; provided that the Amount of Composition payable to such Bankers as last aforesaid shall in every Case in which an Increase of Securities in the Issue .Department shall have been authorized by any Order in Council be deducted out of the Amount payable by the said Governor and Company to the Public under the Provisions herein contained: Provided always, that the total Sum payable to any Banker, under the Provisions herein contained, by way of Composition as aforesaid, in any One Tear, shall not exceed, in case of the Bankers mentioned in the Schedule hereto marked (C.), One *per Centum* on the several Sums set against the Names of such Bankers respectively in the List and Statement delivered to the Commissioners of Stamps as aforesaid, and in the Case of other Bankers shall not exceed One *per Centum* on the Amount of Bank Notes which such Bankers respectively would otherwise be entitled to issue under the Provisions herein contained.

**XXV Compositions to cease on 1st August 1856.**

And be it enacted, That all the Compositions payable to the several Bankers mentioned in the Schedule hereto marked (C.), and such other Bankers as shall agree with the said Governor and Company to discontinue the Issue of their own Bank Notes as aforesaid, shall, if not previously determined by the Act of such Banker as herein-before provided, cease and determine on the First Day of *August* One thousand eight hundred and fifty-six, or on any earlier Day on which Parliament may prohibit the Issue of Bank Notes.

**XXVI Banks within Sixty-five Miles of London may accept, &c. Bills.**

And be it enacted, That from and after the passing of this Act it shall be lawful for any Society or Company or any Persons in Partnership, though exceeding Six in Number, carrying on the Business of Banking in *London*, or within Sixty-five Miles thereof, to draw, accept, or endorse Bills of Exchange, not being payable to Bearer on Demand, anything in the herein-before recited Act passed in the Fourth Year of the Reign of His said Majesty King *William* the Fourth, or in any other Act, to the contrary notwithstanding.

**XXVII Bank to enjoy Privileges, subject to Redemption.**

And be it enacted, That the said Governor and Company of the Bank of *England*, shall have and enjoy such exclusive Privilege of Banking as is given by this Act, upon such Terms and Conditions, and subject to the Termination thereof at such Time and in such Manner, as is by this Act provided and specified ; and all and every the Powers and Authorities, Franchises, Privileges, and Advantages, given or recognized by the said recited Act passed in the Fourth Year of the Reign of His Majesty King *William* the Fourth as belonging to or enjoyed by the said Governor and Company of the Bank of *England*, or by any subsequent Act or Acts of Parliament, shall be and the same are hereby declared to be in full Force and continued by this Act, except so far as the same are altered by this Act; subject nevertheless to Redemption upon the Terms and Conditions following; (that is to say,) at any Time upon Twelve Months Notice to be given after the First Day of *August* One thousand eight hundred and fifty-five, and upon Repayment by Parliament to the said Governor and Company or their Successors of the Sum of Eleven million fifteen thousand and one hundred Pounds, being the Debt now due from the Public to the said Governor and Company, without any Deduction, Discount, or Abatement whatsoever, and upon Payment to the said Governor and Company and their Successors of all Arrears of the Sum of One hundred thousand Pounds *per Annum*, in the last-mentioned Act mentioned, together with the Interest or Annuities payable upon the said Debt or in respect thereof, and also upon Repayment of all the Principal and Interest which shall be owing unto the said Governor and Company and their Successors upon all such Tallies, Exchequer Orders, Exchequer Bills, or Parliamentary Funds which the said Governor and Company or their Successors shall have remaining in their Hands or be entitled to at the Time of such Notice to be given as last aforesaid, then and in such Case, and not till then, the said exclusive Privileges of Banking granted by this Act shall cease and determine at the Expiration of such Notice of Twelve Months ; and any Vote or Resolution of the "House of Commons, signified under the Hand of the Speaker of the said House in Writing, and delivered at the public Office of the said Governor and Company, shall be deemed and adjudged to be a sufficient Notice.

### **XXVIII Interpretation Clause.**

And be it enacted, That the Term " Bank Notes " used in this Act shall extend and apply to all Bills or Notes for the Payment of Money to the Bearer on Demand other than Bills or Notes of the Governor and Company of the Bank of *England* ; and that the Term " Bank of *England* Notes " shall extend and apply to the Promissory Notes of the Governor and Company of the Bank of *England* payable to Bearer on Demand; and that the Term "Banker" shall extend and apply to all Corporations, Societies, Partnerships, and Persons, and every individual Person carrying on the Business of Banking, whether by the Issue of Bank Notes or otherwise, except only the Governor and Company of the Bank of *England*; and that the Word " Person " used in this Act shall include Corporations; and that the Singular Number in this Act shall include the Plural Number, and the Plural Number the Singular, except where there is anything in the Context repugnant to such Construction ; and that the Masculine Gender in this Act shall include the Feminine, except where there is anything in the Context repugnant to such Construction.

### **XXIX Act may be amended.**

And be it enacted, That this Act may be amended or repealed by any Act to be passed in the present Session of Parliament.