
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations enable the Treasury to raise money through alternative finance arrangements, as defined in section 157(8) of the Finance Act 2008 (c. 9). Alternative finance arrangements are arrangements which, in the Treasury's opinion, equate in substance to a transaction of a kind that generally involves the payment of interest, but achieve a similar effect without including provision for the payment of interest.

Regulation 3 specifies the alternative finance arrangements which are available to the Treasury for raising money (referred to in the Regulations as "available arrangements").

Regulation 4 specifies the purposes for which money may be raised through available arrangements. These purposes are consistent with the purposes for which money can be raised by other means (such as gilts) under the National Loans Act 1968 (c. 13).

Regulation 5 specifies matters which must, and matters which may, be taken into account by the Treasury in deciding whether to raise money through available arrangements.

Regulation 6 enables the Treasury and the Secretary of State to enter into available arrangements and arrangements which enable or facilitate those arrangements.

Regulation 7 enables the Treasury to give financial assistance to a company in connection with any functions of the company relating to available arrangements. Any financial assistance provided is to be paid from the Consolidated Fund.

Regulation 8 provides that all money raised through available arrangements must be paid into the National Loans Fund. It also makes provision for the payment of certain sums and expenses from the National Loans Fund.

Regulation 9 modifies the application of Schedule 5A to the National Loans 1968, so that a security issued for the purposes of available arrangements is to be treated for the purposes of the debt management account as if it were a security (such as a gilt) issued under section 12 of that Act.

An impact assessment has not been produced for this instrument as no impact on the costs of the private or voluntary sectors is foreseen.