

These notes relate to the Scottish National Investment Bank Act 2020 (asp 3) which received Royal Assent on 25 February 2020

SCOTTISH NATIONAL INVESTMENT BANK ACT 2020

EXPLANATORY NOTES

THE ACT

Part 1 - Establishment of the Bank

Chapter 2 - The Bank's articles of association on establishment

Section 7 (Borrowing powers)

12. Section 7 makes provision, for inclusion in the Articles, about the borrowing powers of the Bank. Under the fiscal framework agreement between the Scottish and UK governments¹, the Scottish Government has limited powers to borrow finance. Borrowing by the Bank from parties other than the Scottish Ministers would be counted towards the Scottish Government's borrowing limit. Restrictions are therefore placed on the Bank's ability to borrow to ensure it does not impact upon the Scottish Government's fiscal position.

¹ Fiscal framework: agreement between the Scottish and UK Governments: