

*Draft Order laid before Parliament under section 40(2) of the Bank of England Act 1998, for
approval by resolution of each House of Parliament.*

DRAFT STATUTORY INSTRUMENTS

2008 No. XXX

BANKS AND BANKING

The Cash Ratio Deposits (Value Bands and Ratios) Order 2008

Made - - - - *****
Coming into force - - *2nd June 2008*

The Treasury make this Order in exercise of the powers conferred by paragraph 5 of Schedule 2 to the Bank of England Act 1998(1).

In accordance with paragraphs 10 and 11 of Schedule 2 to that Act, the Treasury have consulted the Bank of England, such persons as appear to them to be representative of persons likely to be materially affected by this Order and such other persons as they think fit, and in making this Order have regard to the financial needs of the Bank of England.

In accordance with section 40(2) of the Bank of England Act 1998, a draft of this Order was laid before Parliament and approved by a resolution of each House of Parliament.

Citation and commencement

1. This Order may be cited as the Cash Ratio Deposits (Value Bands and Ratios) Order 2008 and comes into force on 2nd June 2008.

Revocation

2. The Cash Ratio Deposits (Value Bands and Ratio) Order 2004(2) is revoked.

Value bands and ratios

3. For the purposes of paragraph 4 of Schedule 2 to the Bank of England Act 1998 (cash ratio deposits), the value bands and the ratios applicable to them, expressed as a percentage, are as follows:

Value band	Ratio
£0-£500 million	0%

(1) 1998 c. 11.
(2) S.I. 2004/1270.

Draft Legislation: This is a draft item of legislation. This draft has since been made as a UK
Statutory Instrument: The Cash Ratio Deposits (Value Bands and Ratios) Order 2008 No. 1344

Over £500 million

0.11%

date

Name
Name
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

Schedule 2 to the Bank of England Act 1998 (c.11) makes provision concerning the maintenance by certain institutions of cash ratio deposits with the Bank of England (“the Bank”). The institutions covered by these arrangements are those defined as “deposit-takers” by section 17 of, and sub-paragraphs (1A) to (1C) of paragraph 1 in Schedule 2 to, that Act. (Sub-paragraphs (1A) to (1C) were inserted into paragraph 1 by article 163 of the Financial Services and Markets Act 2000 (Consequential Amendments and Repeals) Order 2001, S.I. 2001/3649). The Bank is empowered by paragraph 3 of that Schedule to give such an institution a call notice specifying an amount it is expected to have on deposit with the Bank during a specified period. Under paragraph 4 of that Schedule, this depositable amount is to be calculated by multiplying so much of an institution’s average liability base as falls into each of the different value bands by the ratio applicable to that band, and adding up these amounts.

This Order specifies the value bands and the ratios applicable to them and revokes the Order which specified previous value bands and ratios.