



date

Two of the Lords Commissioners of Her Majesty's Treasury

*Name*

*Name*

### **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.

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