

*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.*

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DRAFT STATUTORY INSTRUMENTS

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**2013 No.**

**BANKS AND BANKING**

**The Cash Ratio Deposits (Value Bands and Ratios) Order 2013**

*Made* - - - - *\*\*\**

*Coming into force* - - 3rd June 2013

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

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.

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.

**Citation and commencement**

1. This Order may be cited as the Cash Ratio Deposits (Value Bands and Ratios) Order 2013 and comes into force on 3rd June 2013.

**Revocation of the 2008 Order**

2. The Cash Ratio Deposits (Value Bands and Ratios) Order 2008(b) 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-£600 million	0%
Over £600 million	0.18%

*Name*  
*Name*

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(a) 1998 c.11.  
(b) S.I. 2008/1344.

Date

**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(7) of, and sub-paragraphs (1A) to (1C) of paragraph 1 in Schedule 2 to, that Act. 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. The Order specifies two value bands and the applicable ratio, in the form of a percentage, to each.

A full impact assessment of the effect that this Order will have on the costs of business and the voluntary sector is available from Her Majesty’s Treasury, 1 Horse Guards Road, London SW1A 2HQ or on [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk) and is published alongside the Order on [www.legislation.gov.uk](http://www.legislation.gov.uk).

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