



# Banking Act 1987 (repealed)

## 1987 CHAPTER 22

### PART I

#### REGULATION OF DEPOSIT-TAKING BUSINESS

##### *The Bank of England and the Board of Banking Supervision*

#### **1 Functions and duties of the Bank of England.**

- (1) [<sup>F1</sup>The Financial Services Authority (in this Act referred to as “the Authority”)] shall have the powers conferred on it by this Act and the duty generally to supervise the institutions authorised by it in the exercise of those powers.
- (2) It shall also be the duty of the [<sup>F2</sup>Authority] to keep under review the operation of this Act and developments in the field of banking which appear to it to be relevant to the exercise of its powers and the discharge of its duties.
- (3) The [<sup>F2</sup>Authority] shall, as soon as practicable after the end of each of its financial years, make to the Chancellor of the Exchequer and publish in such manner as it thinks appropriate a report on its activities under this Act in that year; and the Chancellor of the Exchequer shall lay copies of every such report before Parliament.
- (4) [<sup>F3</sup>Neither the Authority nor any person who is, or is acting as, an officer or servant of the Authority] shall be liable in damages for anything done or omitted in the discharge or purported discharge of the functions of the [<sup>F4</sup>Authority] under this Act unless it is shown that the act or omission was in bad faith.

#### **Textual Amendments**

**F1** Words in s. 1(1) substituted (1.6.1998) by 1998 c. 11, s. 23, **Sch. 5 Pt. 1 Ch. 1 para. 2(a)**; S.I. 1998/1120, **art. 2**

**F2** Words in s. 1(2)(3) substituted (1.6.1998) by 1998 c. 11, s. 23, **Sch. 5 Pt. 1 Ch. 1 para. 2(b)**; S.I. 1998/1120, **art. 2**

*Status: Point in time view as at 01/06/1998.*

*Changes to legislation: There are currently no known outstanding effects for the Banking Act 1987 (repealed),  
 Cross Heading: The Bank of England and the Board of Banking Supervision. (See end of Document for details)*

- F3** Words in s. 1(4) substituted (1.6.1998) by 1998 c. 11, s. 23, **Sch. 5 Pt. I Ch. I para. 2(c)(i)** (with Sch. 8 para. 1); S.I. 1998/1120, **art.2**
- F4** Word in s. 1(4) substituted (1.6.1998) by 1998 c. 11, s. 23, **Sch. 5 Pt. I Ch. I para. 2(c)(ii)** (with Sch. 8 para. 1); S.I. 1998/1120, **art. 2**

**Modifications etc. (not altering text)**

- C1** S. 1 amended (1.1.1993) by S.I. 1992/3218, reg. 47, **Sch. 8 para. 2(a)(b)**.
- C2** S. 1(4) continued (1.12.2001) by S.I. 2001/3650, **arts. 1, 24(2)(a)(4)**

## 2 The Board of Banking Supervision.

- [<sup>F5</sup>(1) There shall continue to be a committee known as the Board of Banking Supervision.
- (2) The Board shall consist of—
- (a) two ex officio members, namely, the Chairman of the Authority and the holder of such other office within the Authority as the Chairman of the Authority may designate for the purposes of this provision; and
  - (b) six independent members, that is to say, members appointed jointly by the Chancellor of the Exchequer and the Chairman of the Authority, being persons having no executive responsibility in the Authority.
- (2A) The independent members shall elect one of their number to chair the Board.]
- (3) It shall be the duty of the independent members to give such advice as they think fit to the ex officio members—
- (a) on the exercise by the [<sup>F6</sup>Authority] of its functions under this Act, either generally or in any particular respect or in relation to a particular institution or institutions; and
  - (b) on any matter relating to or arising out of the exercise of those functions.
- (4) The [<sup>F6</sup>Authority] shall make regular reports to the Board on matters which the [<sup>F6</sup>Authority] considers relevant to the discharge by the independent members of their duty under subsection (3) above and shall provide them with such other information as they may reasonably require.
- (5) The ex officio members shall give written notice to the Chancellor of the Exchequer in any case in which it is decided that the advice of the independent members should not be followed and the independent members shall be entitled to place before the Chancellor the reasons for their advice.
- (6) The Board shall prepare an annual report on its activities and that report shall be included in the report made by the [<sup>F6</sup>Authority] under section 1(3) above for the financial year in question.
- (7) Section 1(4) above shall apply to an act or omission by a member of the Board in the discharge or purported discharge of his functions under this section as it applies to an act or omission of a person there mentioned in the discharge or purported discharge of the functions of the [<sup>F6</sup>Authority].
- (8) Schedule 1 to this Act shall have effect with respect to the Board.

**Textual Amendments**

- F5** S. 2(1)(2)(2A) substituted (1.6.1998) for s. 2(1)(2) by 1998 c. 11, s. 28(1); S.I. 1998/1120, **art. 2**

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**F6** Words in s. 2(3)(4)(6)(7) substituted (1.6.1998) by 1998 c. 11, s. 28(2); S.I. 1998/1120, art. 2

**Modifications etc. (not altering text)**

**C3** S. 2 amended (1.1.1993) by S.I. 1992/3218, reg. 47, Sch. 8 para. 3.

**Status:**

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**Changes to legislation:**

There are currently no known outstanding effects for the Banking Act 1987 (repealed), Cross Heading: The Bank of England and the Board of Banking Supervision.