



# Financial Services Act 2012

## 2012 CHAPTER 21

### PART 4

#### COLLABORATION BETWEEN TREASURY AND BANK OF ENGLAND, FCA OR PRA

#### **61 Treasury power of direction**

- (1) Subsection (2) applies where—
  - (a) the power of direction is exercisable by virtue of section 60(2) by reference to a public funds notification and the Treasury are satisfied that Condition A is met, or
  - (b) the power of direction is exercisable by virtue of section 60(3) by reference to the provision of qualifying financial assistance and the Treasury are satisfied that Condition A or Condition B is met.
- (2) The Treasury may give a direction to the Bank of England relating to one or more of the following—
  - (a) the provision by the Bank to one or more financial institutions of financial assistance other than ordinary market assistance offered by the Bank on its usual terms,
  - (b) the exercise by the Bank of any of the stabilisation powers, as defined by section 1(4) of the Banking Act 2009, or
  - (c) the exercise by the Bank of its powers under Part 3 of that Act (bank administration).
- (3) Condition A is that the giving of the direction is necessary to resolve or reduce a serious threat to the stability of the financial system of the United Kingdom which is connected—
  - (a) in case within subsection (1)(a), with the matters to which the public funds notification relates;
  - (b) in a case within subsection (1)(b), with the matters that gave rise to the provision of the qualifying financial assistance.
- (4) Condition B is that—

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*Status: This is the original version (as it was originally enacted).*

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- (a) the qualifying financial assistance was provided for the purpose of resolving or reducing a serious threat to the stability of the financial system of the United Kingdom, and
  - (b) the giving of the direction is necessary to protect the public interest in connection with the provision of that assistance.
- (5) References to the provision of qualifying financial assistance are to be read in accordance with section 60(5).
- (6) This section is subject to section 62.
- (7) Nothing in this section limits the powers conferred by section 4(1) of the Bank of England Act 1946 (Treasury directions to the Bank).