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STATUTORY INSTRUMENTS

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**2013 No. 721**

**BANKS AND BANKING**

**The Bank of England (Call Notice)  
(Benchmark Rate of Interest) Order 2013**

<i>Made</i>	- - - -	<i>26th March 2013</i>
<i>Laid before Parliament</i>		<i>27th March 2013</i>
<i>Coming into force</i>	- -	<i>3rd June 2013</i>

The Treasury, in exercise of the powers conferred by paragraph 8 of Schedule 2 to the Bank of England Act 1998(1), make this Order.

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 Bank of England (Call Notice) (Benchmark Rate of Interest) Order 2013 and comes into force on 3rd June 2013.

**Benchmark rate of interest for call notices given by the Bank of England**

2. For paragraph 7 of Schedule 2 to the Bank of England Act 1998, substitute—

**“Benchmark rate of interest**

7.—(1) The benchmark rate of interest for the purposes of paragraph 6(3) is the Bank rate.

(2) In this paragraph, “Bank rate” means—

- (a) the official Bank rate determined by the Monetary Policy Committee of the Bank, or
- (b) where an order under section 19 of this Act is in force, any equivalent rate determined by the Treasury under that section.”

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**Status:** *This is the original version (as it was originally made). UK  
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*Desmond Swayne*  
*Stephen Crabb*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

26th March 2013

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## 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 subparagraphs (1A) to (1C) of paragraph 1 of 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 6(3), the amount the Bank may require an institution to pay when eligible institutions are late in making deposits is an amount equal to interest for the period covered by the notice, at 4% over the benchmark rate.

This Order replaces paragraph 7 of Schedule 2 which currently specifies the benchmark rate for this purpose. This Order specifies that the Bank rate (as defined in new paragraph 7(2)) is the benchmark rate.

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).