Draft Regulations laid before Parliament under section 214A(9) of the Banking Act 2009, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2020 No.

BANKS AND BANKING, NORTHERN IRELAND

The Northern Ireland Banknote (Designation of Authorised Bank) Regulations 2020

Made - - - - ***

Coming into force in accordance with regulation 1

The Treasury make the following Regulations in exercise of the powers conferred by section 214A(1) and (8)(c) of the Banking Act 2009(**a**).

In accordance with section 214A(6) of the Banking Act 2009, the Bank of England has, following the preparation and publication of the statement required by section 214A(7) of that Act, consented to the designation made by these Regulations.

A draft of this instrument has been laid before Parliament in accordance with section 214A(9) of the Banking Act 2009 and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the Northern Ireland Banknote (Designation of Authorised Bank) Regulations 2020 and come into force on the day after the day on which they are made.

Interpretation

2. In these Regulations—

"the 2009 Act" means the Banking Act 2009;

"the 2009 Regulations" means the Scottish and Northern Ireland Banknote Regulations 2009(**b**);

"designation date" means the date to be determined in accordance with regulation 3;

"National Westminster Bank" means the public limited company named National Westminster Bank Public Limited Company, registered in England and Wales under company registration number 00929027; and

"Ulster Bank Limited" means the limited company of that name registered in Northern Ireland under company registration number R0000733.

(**a**) 2009 c.1; section 214A of the 2009 Act was inserted by sections 38(1) and 38(5) of the Bank of England and Financial Services Act 2016 (c. 14).
(**b**) S.I. 2009/3056.

Designation date

3.—(1) The Treasury must determine the designation date for the purposes of these Regulations.

(2) Before the designation date, the Treasury must publish in the London Gazette and the Belfast Gazette notice of the designation date, stating that—

(a) it is the designation date for the purposes of these Regulations; and

(b) from the beginning of the designation date—

(i) Ulster Bank Limited will no longer be authorised to issue banknotes in Northern Ireland; and

(ii) National Westminster Bank will be authorised to issue banknotes in Northern Ireland.

(3) Where the Treasury have determined a designation date, whether under paragraph (1) or under this paragraph, at any time before that designation date (the "old designation date") the Treasury may determine a later designation date (the "new designation date").

(4) If the Treasury determine a new designation date under paragraph (3), the Treasury must—

(a) publish in the London Gazette and the Belfast Gazette notice of that date in accordance with paragraph (2); and

(b) if the Treasury have published in the London Gazette and the Belfast Gazette notice of the old designation date in accordance with paragraph (2), revoke that earlier notice in the notice mentioned in sub-paragraph (a).

Removal of authorisation

4. From the beginning of the designation date, Ulster Bank Limited is no longer an authorised bank for the purposes of Part 6 of the 2009 Act(**a**).

Designation of authorised bank

5.—(1) For the purposes of Part 6 of the 2009 Act, National Westminster Bank (a bank within the same group as Ulster Bank Limited) is designated as an authorised bank.

(2) The designation in paragraph (1)—

(a) applies from the beginning of the designation date; and

(b) authorises National Westminster Bank to issue banknotes in Northern Ireland only.

Banknotes in circulation

6.—(1) Any banknote in circulation issued by Ulster Bank Limited prior to the designation date is, from the beginning of the designation date—

(a) treated as having been issued by National Westminster Bank; and

(b) deemed to record an engagement by National Westminster Bank to pay money to the bearer on demand instead of such an engagement by Ulster Bank Limited.

(2) Any rights and liabilities in relation to any such banknote transfer from Ulster Bank Limited to National Westminster Bank at the beginning of the designation date.

(3) Anything done by or in relation to Ulster Bank Limited in connection with any such banknote is to be treated as having been done by or in relation to National Westminster Bank for all purposes from the beginning of the designation date.

(4) Nothing in this regulation affects the validity of any banknotes issued before the designation date by Ulster Bank Limited.

(**a**) Part 6 of the 2009 Act was amended by section 38 of the Bank of England and Financial Services Act 2016.

Banknotes not in circulation

7.—(1) From the beginning of the designation date, ownership of any banknote of Ulster Bank Limited not in circulation transfers from Ulster Bank Limited to National Westminster Bank and—

(a) any such banknote is deemed to record an engagement by National Westminster Bank to pay money to the bearer on demand instead of such an engagement by Ulster Bank Limited;

(b) any rights and liabilities in relation to any such banknote transfer from Ulster Bank Limited to National Westminster Bank; and

(c) anything done by or in relation to Ulster Bank Limited in connection with any such banknote is to be treated as having been done by or in relation to National Westminster Bank for all purposes.

(2) The transfer of ownership of any banknote by virtue of paragraph (1) does not constitute the issuing of that banknote within the meaning of section 209 of the 2009 Act.

Disapplication of banknote regulations and rules

8.—(1) From the beginning of the designation date, the Banknote Regulations and Rules no longer apply to Ulster Bank Limited.

(2) In this regulation, the Banknote Regulations and Rules means—

(a) the 2009 Regulations; and

(b) any rules made by the Bank of England under the 2009 Regulations(**a**).

Name
Name
Date — Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide for the transfer of an authorisation to issue banknotes in Northern Ireland from Ulster Bank Limited to National Westminster Bank.

Ulster Bank Limited is currently authorised (in addition to other banks) under section 213 of the Banking Act 2009 to issue banknotes in Northern Ireland. Planned restructuring of National Westminster Bank and its subsidiaries means that it will be appropriate to transfer the authorisation to issue banknotes to National Westminster Bank from Ulster Bank Limited (another company within the same group).

These Regulations provide for the Treasury to determine the date that the authorisation will transfer and set out how the Treasury must publish notice of that date.

These Regulations provide for the transfer of all rights and liabilities in relation to banknotes issued by Ulster Bank Limited prior to the date of transfer of authorisation which remain in circulation to pass to National Westminster Bank. From the date of transfer all such banknotes will be deemed to have been issued by National Westminster Bank.

These Regulations provide for any banknotes of Ulster Bank Limited that are not in circulation to be deemed to record an engagement by National Westminster Bank to pay money to the bearer on

(**a**) See in particular the Scottish and Northern Ireland Banknote Rules 2017 and the Scottish and Northern Ireland Statement of Penalty Policy: https://www.bankofengland.co.uk/banknotes/scottish-and-northern-ireland-banknotes.

demand. This permits National Westminster Bank to issue or reissue those banknotes following the transfer. The rights and liabilities in relation to the banknotes also transfer to National Westminster Bank.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen and the impact on the public sector is minimal.

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