STATUTORY INSTRUMENTS

2018 No. 169 (S. 2)

BANKS AND BANKING, SCOTLAND

The Scottish Banknote (Designation of Authorised Bank) Regulations 2018

Made - - - - 7th February 2018

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(**1**).

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 Scottish Banknote (Designation of Authorised Bank) Regulations 2018 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;

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

"New Royal Bank of Scotland" means the public limited company now named Adam & Company plc registered in Scotland under company registration number SC083026 with a registered office at 25 St Andrew Square, Edinburgh, EH2 1AF; and

"Original Royal Bank of Scotland" means the public limited company now named The Royal Bank of Scotland plc and registered in Scotland under company registration number SC090312 with a registered office at 36 St Andrew Square, Edinburgh, EH2 2YB.

(**1**) 2009 c.1; section 214A was inserted by section 38(5) of the Bank of England and Financial Services Act 2016 (c.14).

Designation date

3.—(1) In accordance with section 214A(4)(b) of the 2009 Act, 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 Edinburgh 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) Original Royal Bank of Scotland will no longer be authorised to issue banknotes in Scotland; and

(ii) New Royal Bank of Scotland will be authorised to issue banknotes in Scotland.

Removal of authorisation

4. From the beginning of the designation date, Original Royal Bank of Scotland is no longer an authorised bank for the purposes of Part 6 of the 2009 Act(**2**).

Designation of authorised bank

5.—(1) For the purposes of Part 6 of the 2009 Act, New Royal Bank of Scotland (a bank within the same group as Original Royal Bank of Scotland) is designated as an authorised bank.

(2) The designation in paragraph (1)—

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

(b) authorises New Royal Bank of Scotland to issue banknotes in Scotland only.

Banknotes in circulation

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

(a) treated as having been issued by New Royal Bank of Scotland; and

(b) deemed to record an engagement by New Royal Bank of Scotland to pay money to the bearer on demand instead of such an engagement by Original Royal Bank of Scotland.

(2) Any rights and liabilities in relation to any such banknote transfer from Original Royal Bank of Scotland to New Royal Bank of Scotland at the beginning of the designation date.

(3) Anything done by or in relation to Original Royal Bank of Scotland in connection with any such banknote is to be treated as having been done by or in relation to New Royal Bank of Scotland 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 Original Royal Bank of Scotland.

Banknotes not in circulation

7.—(1) From the beginning of the designation date, ownership of any banknote of Original Royal Bank of Scotland not in circulation transfers from Original Royal Bank of Scotland to New Royal Bank of Scotland.

(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.

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