***Pro Forma* Legal Opinion on Sterling Money Market Operations Documentation**

**[Capacity issues only]**

**[Notepaper of Institution – In-House Legal Counsel/Notepaper of External Legal**

**Counsel]**

To: The Governor and Company of the Bank of England (**the “Bank**”) Threadneedle Street

London

EC2R 8AH

[Date] Dear Sirs,

**BANK OF ENGLAND STERLING MONEY MARKET OPERATIONS**

[name of participating institution] **(the “INSTITUTION”)**

As [in-house]/[external] Legal Counsel for the Institution in [country], we refer to the participation of the Institution in certain of the facilities comprised within the Bank’s Sterling Money Market Operations, and the Terms and Conditions relating thereto [as contained in the document headed “Documentation for the Bank of England’s Operations under the Sterling Monetary Framework”, as published by the Bank on its website at [www.bankofengland.co.uk](http://www.bankofengland.co.uk/) and dated [ ]]. Any capitalised term used in this letter and not otherwise defined herein shall bear the same meaning as set out in the glossary to the Terms and Conditions.

1. We have examined:

(a) the Terms and Conditions; (b) the Operating Procedures;

(c) the Admission Letter (signed by the Institution, and dated [ ]); and

(d) the constitutional documents of the Institution, and such other corporate records, certificates and other documents as we have considered necessary or desirable for the purposes of this letter,

the documents referred to in (a) to (c) above, together the “**Documentation**”.

2. Having considered the documents listed in paragraph 1 above and having regard to all applicable laws of [country], we are pleased to advise that in our opinion:

(a) the Institution was incorporated or otherwise duly organised in [country] [as e.g. a limited company] and is a separate legal entity, is subject to suit in its own name, is an entity separate from, and is not a department of, [country] or the Government of [country] and no steps have been, or are being, taken in relation to any receivership, administration, liquidation, winding up or

analogous proceedings under the laws of [country] in relation to the Institution or a material part of its undertaking;

(b) the Institution has the necessary power and authority, and all necessary corporate and other action has been taken, to enable the Institution to sign and deliver the Admission Letter and perform the obligations undertaken by it under the Documentation;

(c) the execution by the Institution of the Admission Letter and performance by the Institution of its obligations under the Documentation will not cause:

(i) any limit on the Institution or its directors (whether imposed by the documents constituting the Institution, statute or regulation, or, to the best of our knowledge, agreement or otherwise) to be exceeded;

(ii) any applicable law, rule, regulation or order to which the Institution is subject to be contravened,

(iii) any default under, or give rise to an obligation to create any form of security interest or similar right pursuant to, any agreement or other instrument or any judgment or other requirement known to us to which the Institution is a party or by which it or any of its assets is bound;

(d) the Admission Letter has been properly signed and delivered on behalf of the Institution and the obligations on the part of the Institution under the Documentation, assuming them to be valid and binding according to English law by which they are expressed to be governed, are valid and legally binding on the Institution under the laws of [country] and in the courts of [country];

(e) the signature, delivery and performance of the Documentation by the Institution constitute private and commercial acts rather than public or governmental acts;

(f) it is not necessary or advisable under the laws of [country] in order to ensure the validity, enforceability, priority or admissibility in evidence of the obligations of the Institution or the rights of the Bank under the Documentation, that the Documentation be filed, registered, recorded or notarised in any public office or elsewhere or that any other instrument relating thereto be signed, delivered, filed, registered or recorded, that any tax or duty be paid or that any other action whatsoever be taken;

(g) all consents, authorisations, licences or approvals of, or registrations with, or declarations to, governmental or public bodies, authorities or courts of or in [country] in connection with the validity, enforceability, priority or admissibility in evidence of the obligations of the Institution or the rights of the Bank under the Documentation have been unconditionally obtained or made or are in full force and effect.

Notwithstanding that this opinion is addressed to the Bank, the Bank may disclose (but none of the following shall be entitled to rely upon) this opinion to any relevant national central bank, monetary authority or regulatory or supervisory authority

having responsibility for the supervision or oversight of the Institution (or in whose jurisdiction the Institution is carrying on business) or of any payment or securities settlement system or clearing house in which the Institution is a participant.

Yours faithfully