

Credit control notices

Notice to banks and deposit-taking finance houses, issued by the Bank of England on 3 April 1979.

Supplementary special deposits

The Bank of England announces that, with the approval of the Chancellor of the Exchequer, it has decided to continue the operation of the supplementary special deposits scheme for a further three-month period.

The base on which the operation of the scheme rests will continue to be the average of each institution's interest-bearing eligible liabilities outstanding on the make-up days for the six months November 1977–April 1978. The application of the extension of the scheme will start from the average of each institution's interest-bearing eligible liabilities on the make-up days for May, June and July 1979 and end with the average of the make-up days for July, August and September 1979. The specified penalty-free rate of growth for each institution will continue to be 1% per month [1] of the base average. An institution will be liable to lodge with the Bank non-interest-bearing special deposits on the scale specified in the Bank's notice of 8th June 1978 in the month after the period in which the average of its interest-bearing resources exceeds the penalty-free rate of growth. The terms of the operation of the scheme otherwise remain as set out in the Bank's notice of 8th June 1978.

The Bank's guidance (set out in its notice of 11th April 1978) to banks and finance houses on the direction of their lending remains in force.

Notice to banks and deposit-taking finance houses, issued by the Bank of England on 12 June 1979.

Supplementary special deposits

The Bank of England announces that, with the approval of the Chancellor of the Exchequer, it has decided to continue the operation of the supplementary special deposits scheme for a further three-month period.

The base on which the operation of the scheme rests will continue to be the average of each institution's interest-bearing eligible liabilities outstanding on the make-up days for the six months November 1977–April 1978. The application of the extension of the scheme will start from the average of each institution's interest-bearing eligible liabilities on the make-up days for August, September and October 1979 and end with the average of the make-up days for October, November and December 1979. The specified penalty-free rate of growth for each institution will continue to be 1% per month [2] of the base average. An institution will be liable to lodge with the Bank non-interest-bearing special deposits on the scale specified in the Bank's notice of 8th June 1978 in the month after the period in which the average of its interest-bearing resources exceeds the penalty-free rate of growth. The terms of the operation of the scheme otherwise remain as set out in the Bank's notice of 8th June 1978.

The Bank's guidance (set out in its notice of 11th April 1978) to banks and finance houses on the direction of their lending remains in force.

[1] Thus, for example, the penalty-free level for the period May–July 1979 will be 113% of the base average.

[2] Thus, for example, the penalty-free level for the period August–October 1979 will be 116% of the base average.