Mr Tan
Via e-mail to:
request-227824-
b54abe4b@whatdotheyknow.com

Dear Mr Tan

Thank you for your email of 2 September in which you ask the following questions under the Freedom of Information Act 2000 ('Foil Act'):

1. You have previously stated that 25% of the banks post-tax profits go back to the HM Treasury and that "The overall effect is that the Bank and HM Treasury will normally share post-tax profits equally." In regards to this, where or whom does the rest of the profits that get shared equally with HM Treasury, go to other than HM Treasury. You say the "Bank". Are you referring to the bank's private shareholders or another entity that is not stated and could you please make it clear who or what it is that are sharing the banks profits with HM Treasury.

2. If the bank is nationalised and publicly owned, why do not ALL the profits of the bank go back to HM Treasury? It seems rather counter-intuitive.

3. If there are shareholders/people receiving profits from the bank could you please give a list of them, I would like to know who these people are that get our central banks profits instead of the treasury.

4. If you are unable to give a list or description of said people or entities, could you please explain why they are exempt from UK law stating that all companies be required to name their shareholders on their annual returns.'

In respect of item 1, the Bank of England Act 1946, as amended by the Bank of England Act 1998, requires the Bank of England (the 'Bank') to pay to HM Treasury in lieu of dividend on the Bank's capital on the fifth day of April and October (or prior working day), a sum equal to 25% of the Bank's post tax profit for the previous financial year or such other sum as the Bank and HM Treasury may agree. In effect the Bank's post-tax profits are shared equally between the Bank and HM Treasury. Other than the Government, there are no other shareholders of the Bank and no other entities receive the post-tax profits of the Bank. Further information can be found in the Bank's Annual Report and Accounts for 2014 (see pages 74 and 88 – note 8) which is available to view on our website at: http://www.bankofengland.co.uk/publications/Documents/annualreport/2014/boeaccounts.pdf

The Bank has been in public ownership since 1946 when it was nationalised. The Bank of England Act 1946 provided for the transfer of the whole of the Bank's capital stock of £14,553,000 to HM Treasury. In accordance with that Act and the related Bank of England (Transfer of Stock) Order 1946, the capital stock is now held by the Treasury Solicitor on behalf of HM Treasury. Therefore the Government is the sole holder of capital stock of the Bank of England.

Yours sincerely

Sandra Collins
Information Compliance Team