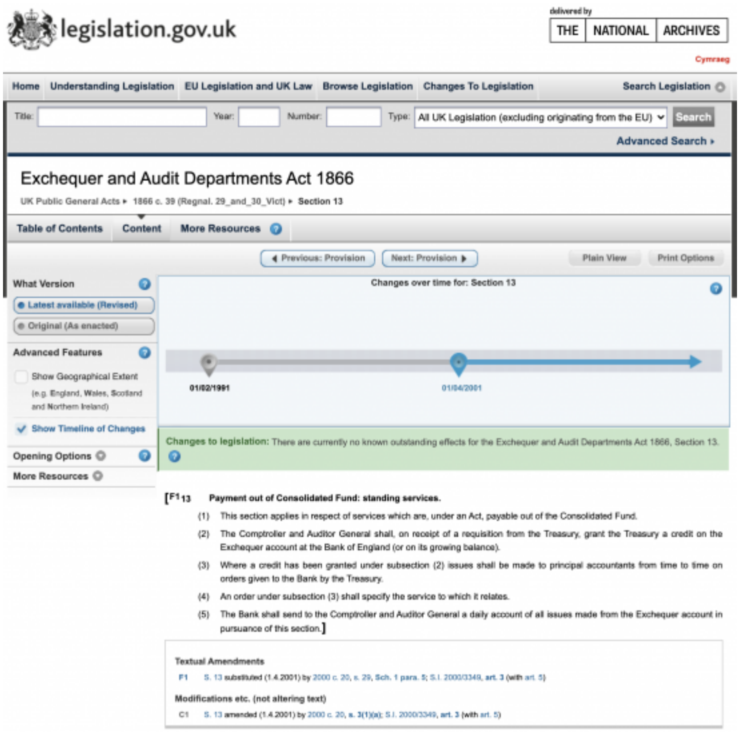
JK law has already enacted modern monetary theory, and..

Published: January 13, 2026, 12:23 am

I saw this tweet today by the Gower Initiative for Modern Money Studies:

https://twitter.com/GowerInitiative/status/1341328643507810304

I have pursued the Act that they refer to, [which is this](#):



I am aware that is small print, but the text of this 1866 Act [was updated in 2000](#) and says this:

The following shall be substituted for section 13 (payments out of Consolidated Fund for services charged on it)—

"13 **Payment out of Consolidated Fund: standing services.**

(1) This section applies in respect of services which are, under an Act, payable out of the Consolidated Fund.

(2) The Comptroller and Auditor General shall, on receipt of a requisition from the Treasury, grant the Treasury a credit on the Exchequer account at the Bank of England (or on its growing balance).

(3) Where a credit has been granted under subsection (2) issues shall be made to principal accountants from time to time on orders given to the Bank by the Treasury.

(4) An order under subsection (3) shall specify the service to which it relates.

(5) The Bank shall send to the Comptroller and Auditor General a daily account of all issues made from the Exchequer account in pursuance of this section."

Note subpart 2 in particular:

The Comptroller and Auditor General shall, on receipt of a requisition from the Treasury, grant the Treasury a credit on the Exchequer account at the Bank of England (or on its growing balance).

So, in other words, whenever the Treasury demands funds from the Bank of England it can have them, even if that increases its liability owing to the Bank. Which is exactly what MMT says, of course.

Subpart 3 confirms this:

Where a credit has been granted under subsection (2) issues shall be made to principal accountants from time to time on orders given to the Bank by the Treasury.

The language remains that of 1866: the accountant referred to is the person responsible for the use of the funds. But that is not the key point: the issue is that the Treasury demand and as is noted, the Bank jumps.

Again, this is exactly as MMT says.

And as is also clear, whilst the 1866 Act says that all government revenues shall be paid into this account, nothing says there must be a balance held on it to permit this payment instruction to be enacted: it can happen, come what may, even if the overdrawn balance on it is growing. So an overdraft is legislated for here, and authorised by law, come what may.

So, UK law has already enacted MMT.

Well spotted by Neil Wilson.