



HL Bill 58 of 2024–25

Financial Assistance to Ukraine Bill

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The [Financial Assistance to Ukraine Bill](#) is a two-clause government bill that was introduced in the House of Commons on 6 November 2024. It completed its House of Commons stages on 18 December 2024. The bill was introduced in the House of Lords on 19 December 2024. It is due to have its second reading and all remaining stages on 15 January 2025.

The speaker of the House of Commons has designated the bill as a money bill. This limits the extent to which the House of Lords can propose significant changes and means the bill can become law with or without House of Lords approval.

The purpose of the bill is to authorise the government to provide loans and other financial assistance to Ukraine resulting from the extraordinary revenue acceleration (ERA) loans agreement made at the meeting of the G7 and the EU in June 2024. The attendees agreed to extend US\$50bn of loans to Ukraine, to be repaid using the revenues from frozen Russian assets in the EU and G7 countries. The UK's share of the loan agreement is approximately £2.3bn (\$2.9bn).

There was broad cross-party support for the bill during its House of Commons stages, and it passed without amendment.





I. What is the background to the bill?

Russia launched a full-scale invasion of Ukraine in 2022. Since the invasion, Ukraine has received substantial military and financial assistance from the international community, including from the UK.¹ In response to the war, the UK and its international partners have strengthened the sanctions regime on Russia which was first imposed in 2014 in response to Russia's annexation of Crimea.² Sanctions have included freezing Russian assets held in the UK and other jurisdictions.

In June 2024, the G7 countries and the EU held a summit in Apulia, Italy.³ At the meeting, the attendees reiterated their support for Ukraine, and they announced the extraordinary revenue acceleration (ERA) loan agreement for Ukraine. The communique published at the end of the summit stated:

With a view to supporting Ukraine's current and future needs in the face of a prolonged defence against Russia, the G7 will launch extraordinary revenue acceleration (ERA) loans for Ukraine, in order to make available approximately US\$50bn in additional funding to Ukraine by the end of the year [...] [T]he G7 intends to provide financing that will be serviced and repaid by future flows of extraordinary revenues stemming from the immobilization of Russian sovereign assets held in the European Union and other relevant jurisdictions.⁴

¹ House of Lords Library, '[War in Ukraine: Update October 2024](#)', 16 October 2024.

² House of Commons Library, '[Sanctions against Russia](#)', 27 September 2024.

³ G7 Italia, '[The summit](#)', accessed 13 December 2024. The G7 countries are Canada, France, Germany, Italy, Japan, the UK and the US.

⁴ G7 Italia, '[Apulia G7 leaders' communiqué](#)', June 2024, p 3.



In October 2024, G7 finance ministers agreed the details of the ERA loan package.⁵ An annex to the agreement stated that the following loan shares were agreed as GDP-proportionate shares of the \$50bn total:

- EU: €18.115bn
- US: US\$20bn
- Canada: CA\$5bn
- Japan: JP¥471.9bn
- UK: £2.258bn⁶

The annex stated that bilateral loan agreements between each lender and Ukraine would enter into force by 30 June 2025 and that the loans were expected to be “fully disbursed to the benefit of Ukraine” by 31 December 2027.⁷

2. What would the bill do?

The bill has two clauses. HM Treasury has published [explanatory notes](#) for the bill.

Clause I would provide HM Treasury and the secretary of state with the authority to provide “loans or other financial assistance” to the government of Ukraine as a result of the ERA loans agreement announced at the G7 summit in June 2024, as required. It would also

⁵ G7 Italia, ‘[G7 finance ministers’ statement on extraordinary revenue acceleration \(ERA\) loan initiative](#)’, 25 October 2024.

⁶ G7 Italia, ‘[Annex to the G7 finance ministers’ statement on extraordinary revenue acceleration \(ERA\) loan initiative](#)’, 25 October 2024, p 1.

⁷ As above.



apply to “any subsequent arrangements that are supplemental to or modify or replace” that agreement.

Clause 2 would provide for the act’s short title.

The bill does not contain provisions relating to extent or commencement. The explanatory notes state that the bill would extend to England and Wales, Scotland and Northern Ireland and that it would commence on royal assent.⁸

The explanatory notes state that the bill does not provide for “further financial assistance to be provided to Ukraine beyond what is necessary to implement ERA”.⁹ The chancellor of the exchequer, Rachel Reeves, committed the UK to provide £2.26bn for the G7 proposal on 22 October 2024.¹⁰ The explanatory notes state that the bill is “not intended to be used to spend beyond this commitment”.

3. What happened in the House of Commons?

The bill was introduced in the House of Commons on 6 November 2024. The speaker of the House of Commons has designated it as a money bill. The House of Lords can amend money bills, but the House of Commons is not obliged to consider any amendments the Lords may propose.¹¹

⁸ [Explanatory notes](#), p 4.

⁹ As above.

¹⁰ House of Commons, ‘[Written statement: Support to Ukraine \(HCWS153\)](#)’, 22 October 2024.

¹¹ House of Lords, ‘[Companion to the standing orders and guide to the proceedings of the House of Lords](#)’, 2022, p 164.



3.1 Second reading

The bill had its second reading on 20 November 2024.¹² There was broad cross-party support for the bill, and it passed without division.

Introducing the bill for the government, Darren Jones, chief secretary to the Treasury, reiterated the UK government’s “steadfast” support for Ukraine.¹³ He said that the UK had already provided £12.8bn of “military, humanitarian and economic support” to Ukraine since the start of Russia’s full-scale invasion in February 2022. He confirmed that the UK’s contribution to the ERA loan package was separate to the £3bn a year of ongoing military support that the UK has committed to Ukraine. However, Mr Jones said the bill was necessary because Ukraine required further support:

Existing support is not enough; we must go further still to ensure that Ukraine wins this war. We must do this alongside our allies. The ERA is an ambitious scheme, and represents a united G7 pledge [...] Our £2.26bn constitutes a fair and proportionate contribution to the scheme based on the UK’s GDP share in the G7 and EU.¹⁴

Mr Jones said the bill “simply provides the spending authority” for the UK to contribute to the ERA scheme. He said the UK’s loans to Ukraine would be used to increase its military capacity:

The government have assessed that Ukraine’s most pressing need is for military support. The UK’s contribution to the

¹² [HC Hansard, 20 November 2024, cols 308–35.](#)

¹³ [HC Hansard, 20 November 2024, col 308.](#)

¹⁴ [HC Hansard, 20 November 2024, col 308.](#)



ERA is therefore earmarked for military procurement to bolster Ukraine's capacity for self-defence.¹⁵

Mr Jones said the UK's loans would be provided to Ukraine in instalments over the next three financial years:

Our funding will be delivered in three tranches over three financial years, with the first tranche intended to be delivered in early 2025.¹⁶

Richard Fuller, shadow chief secretary to the Treasury, said the Conservative Party had provided extensive support to Ukraine when in government, and that the opposition supported the principle of the bill.¹⁷ However, he asked the government several questions related to the practicalities of the bill.

First, Mr Fuller questioned the proposed three-year timescale of loan payments, as he claimed there were "urgent demands from Ukraine for assistance".¹⁸ Second, he asked the government to provide an estimate of the asset base of frozen Russian assets in the G7 and in UK jurisdictions. Third, Mr Fuller asked about the prospects for repayment of the loans. He asked the government if HM Treasury had modelled the future flows of anticipated revenues from Russian assets, and over what time it was anticipated the loans would be repaid. Fourth, he asked about contingencies in the event that one of the members of the G7 failed to ratify the loan agreement. In the event of a peace settlement between Russia and Ukraine, Mr Fuller

¹⁵ [HC Hansard, 20 November 2024, cols 308–9.](#)

¹⁶ [HC Hansard, 20 November 2024, col 309.](#)

¹⁷ [HC Hansard, 20 November 2024, cols 309–11.](#)

¹⁸ [HC Hansard, 20 November 2024, cols 310–11.](#)



asked if Ukraine would have to repay the loans. He questioned, in those circumstances, “what priority will the repayment of these loans have compared with other loans” made to Ukraine.

Concluding his remarks, Mr Fuller said:

The principles underlying the bill are sound. Our commitment to the defence of Ukraine is reinforced [...] We support the bill.¹⁹

Other opposition parties in the House of Commons also supported the bill.²⁰ The Liberal Democrat spokesperson for Europe, James MacCleary, said his party supported the bill.²¹ However, he argued that the government should fully seize frozen Russian assets within the UK’s jurisdiction, rather than using the revenues from those assets to finance the ERA loan scheme.

Concluding the debate for the government, Tulip Siddiq, economic secretary to the Treasury, addressed some of the issues raised.²² Regarding the seizure of Russian assets, Ms Siddiq said the government “continue to consider all lawful avenues by which Russia is made to meet its obligation to Ukraine”. However, she confirmed that the ERA loans agreement was focused solely on using revenues from the frozen assets.

Responding to Richard Fuller’s questions, on the timing of the loan payments Ms Siddiq reiterated that the disbursements would be made

¹⁹ [HC Hansard, 20 November 2024, col 311.](#)

²⁰ See: [HC Hansard, 20 November 2024, cols 322](#) and [327.](#)

²¹ [HC Hansard, 20 November 2024, cols 313–15.](#)

²² [HC Hansard, 20 November 2024, cols 331–3.](#)



in three instalments within the timescales dictated by the G7 agreement. On the asset base, Ms Siddiq said:

Between February 2022 and October 2023, £22.7bn-worth of Russian assets were frozen due to UK financial sanctions regulations—a marked increase on the figure of £18.39bn that was provided in the Office of Financial Sanctions Implementation’s [OFSI] annual report in 2021–22. OFSI is currently analysing data on immobilised assets, and on the type and value of the assets.²³

Regarding the repayment of the loans, Ms Siddiq said:

[T]he UK will be repaid via the extraordinary profits generated from immobilised Russian sovereign assets in the EU. The EU has already enacted the necessary regulations to operationalise the Ukraine loan co-operation mechanism, which will distribute the profits. That came into effect on 29 October.²⁴

On what would happen if the UK was not repaid, Ms Siddiq said:

The UK and the wider G7 have committed to ensuring that Russian sovereign assets remain immobilised across our jurisdictions until Russia ceases its war of aggression and pays for the damage that it has caused to Ukraine, and G7 lenders have worked closely together to design the ERA in a way that allows for repayment in a scenario in which profits cease and Russia pays Ukraine.²⁵

²³ [HC Hansard, 20 November 2024, col 332.](#)

²⁴ [HC Hansard, 20 November 2024, col 332.](#)

²⁵ [HC Hansard, 20 November 2024, col 332.](#)



3.2 Committee and remaining stages

The bill completed its committee and remaining stages on 18 December 2024.²⁶ Again there was broad support for the bill, and only one amendment was tabled.²⁷ New clause I was tabled by the Liberal Democrat opposition spokespeople James MacCleary and Calum Miller (foreign affairs spokesperson), Alex Sobel (Labour MP for Leeds Central and Headingley), and Cameron Thomas (Liberal Democrat MP for Tewkesbury).

New clause I would have required the government to report annually to Parliament on:

- the progress of the loan disbursements to Ukraine
- the projected income streams from frozen Russian assets
- any discussions among the G7 to supplement or modify the ERA loan scheme

Speaking to new clause I, Alex Sobel confirmed that the signatories to the amendment did not intend to divide the House on the issue. However, he said they wanted the government to provide further clarity on how it would report to Parliament on the progress of the loans scheme.²⁸

Also speaking to new clause I, James MacCleary summarised the

²⁶ [HC Hansard, 18 December 2024, cols 392–407.](#)

²⁷ House of Commons, '[Financial Assistance to Ukraine Bill \(Amendment Paper\)](#)', 18 December 2024.

²⁸ [HC Hansard, 18 December 2024, cols 395–6.](#)



rationale for the amendment. He said the reports would improve transparency and he claimed they were “vital for proper scrutiny and public trust, ensuring that funds allocated are achieving their intended purpose”.²⁹ He also claimed that the information in the reports would maintain “pressure on the government to engage with our G7 partners” to explore means of permanently seizing Russian frozen assets.

The chief secretary to the Treasury, Darren Jones, said the government did not support new clause 1.³⁰ Regarding the provisions of the new clause that would require financial reporting, Mr Jones said they were “unnecessary” because the financial information “will be reported in any case through the Treasury’s existing channels”. He continued:

The first tranche of the loan will be disbursed from the Treasury in the financial year to 31 March 2025. The spend will therefore be reflected accordingly in the department’s detailed annual report and accounts for this financial year alongside disclosure of any narrative associated with the spend. The annual report and accounts will be laid in Parliament before they are made public [...] Any future spending and repayments in future years will be reflected in the annual report and accounts in the normal way. The Treasury plans to make the ERA support package separately identifiable in the notes to the accounts, which will allow the financial impact of the scheme to be readily understandable.³¹

Regarding the requirement in new clause 1 for the government to

²⁹ [HC Hansard, 18 December 2024, col 398.](#)

³⁰ [HC Hansard, 18 December 2024, col 402.](#)

³¹ [HC Hansard, 18 December 2024, cols 402–3.](#)

report on its discussions with other G7 partners, Mr Jones said the government “should not tie their hands by agreeing to provide a public report on the nature of private discussions between G7 lenders”. He continued:

When discussions are made and milestones reached, the G7 issues statements and communiqués in the normal way. We do not want to undermine that process with mandatory additional reporting to Parliament. The government are committed to transparency and accountability, however, and Parliament will be updated in the usual way when major decisions are taken.³²

Following the government’s arguments, new clause I was not called. The bill therefore passed committee stage without amendment.

Directly after committee stage, the bill was reported without amendment, read a third time and passed.³³

4. Read more

- House of Commons Library, [‘Financial Assistance to Ukraine Bill 2024–25’](#), 8 November 2024
- House of Lords Library, [‘Humanitarian assistance for Ukraine: December 2024’](#), 9 December 2024
- House of Commons Library, [‘Sanctions, international law, and seizing Russian assets’](#),

³² [HC Hansard, 18 December 2024, col 403.](#)

³³ [HC Hansard, 18 December 2024, cols 405–7.](#)



7 November 2024

- House of Lords Library, '[War in Ukraine: Update October 2024](#)', 16 October 2024

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