

SCHEDULES

SCHEDULE 34

Section 211

BANK LEVY

Introductory

- 1 Schedule 19 to FA 2011 (bank levy) is amended as follows.

Rates 2012

- 2 In paragraph 6 (steps for determining the amount of the bank levy), in sub-paragraph (2)—
- (a) for “0.039%” substitute “0.044%”, and
 - (b) for “0.078%” substitute “0.088%”.
- 3 In paragraph 7 (special provision for chargeable periods falling wholly or partly before 1 January 2012), in sub-paragraph (2)—
- (a) for “0.039%” substitute “0.044%”, and
 - (b) for “0.078%” substitute “0.088%”.
- 4 The amendments made by paragraphs 2 and 3 are treated as having come into force on 1 January 2012.

Rates from 2013

- 5 In paragraph 6 (steps for determining the amount of the bank levy), in sub-paragraph (2)—
- (a) for “0.044%” substitute “0.0525%”, and
 - (b) for “0.088%” substitute “0.105%”.
- 6 (1) In paragraph 7 (special provision for chargeable periods falling wholly or partly before 1 January 2012) for sub-paragraphs (1) and (2) substitute—
- “(1) Paragraph 6(2) applies subject to this paragraph if some or all of the chargeable period falls before 1 January 2013.
 - (2) For Step 7 there is substituted—
“*Step 7*
Determine the proportion (“P%”) (if any) of the chargeable period which falls within each of the periods (“rate periods”) specified in column 1 of the following table.
In relation to each rate period—
 - (a) charge P% of the amount of the long term chargeable equity and liabilities at the rate specified, in relation to the rate period concerned, in the second column of the table, and

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- (b) charge P% of the amount of the short term chargeable liabilities at the rate specified, in relation to the rate period concerned, in the third column of the table.

Add together the results for each rate period in which some or all of the chargeable period falls to give the amount of the bank levy.

<i>Rate period</i>	<i>Rate for long term chargeable equity and liabilities</i>	<i>Rate for short term chargeable liabilities</i>
1 January 2011 to 28 February 2011	0.025%	0.05%
1 March 2011 to 30 April 2011	0.05%	0.1%
1 May 2011 to 31 December 2011	0.0375%	0.075%
1 January 2012 to 31 December 2012	0.044%	0.088%
Any time on or after 1 January 2013	0.0525%	0.105%”

- (2) Accordingly, in the italic heading immediately before that paragraph for “2012” substitute “2013”.
- 7 The amendments made by paragraphs 5 and 6 come into force on 1 January 2013.

Joint ventures

- 8 (1) Paragraph 43 (calculation of chargeable equity and liabilities where relevant group has an interest in a joint venture) is amended as follows.
- (2) In sub-paragraph (1), for paragraphs (d) and (e) substitute “, and
(d) in the absence of this paragraph, none of the liabilities taken into account in determining the amount of the chargeable equity and liabilities of the relevant group would include the JV liabilities.”
- (3) For sub-paragraph (2) substitute—
- “(2) For the purposes of determining the chargeable equity and liabilities of the relevant group under paragraph 17 or 19 (as the case may be) the joint venture is to be treated as if—
- (a) it were a member of the group in relation to—
- (i) the liabilities of the joint venture which consist of the JV liabilities, and
- (ii) the assets of the joint venture so far as determined by the relevant interest, and
- (b) it were not a member of the group in relation to the remaining liabilities and assets of the joint venture.”
- 9 In paragraph 44 (chargeable equity and liabilities of joint venture: prevention of double charge), in sub-paragraph (7)(b), for the words from “liabilities for” to “27(2)

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(a)” substitute “taken into account in calculating the chargeable equity and liabilities of V (or where sub-paragraph (6) applies, A)”.

- 10 The amendments made by paragraphs 8 and 9 have effect in relation to chargeable periods ending on or after 1 January 2012.

Double taxation relief

- 11 (1) In paragraph 66 (double taxation arrangements), after sub-paragraph (9) insert—

“(9A) If arrangements specified in an order under this paragraph provide for relief from the bank levy for periods before the order is made, regulations under this paragraph which are made on the same day as the order, and come into force on the same day as the order, may make provision in relation to those periods.”

- (2) After paragraph 67 insert—

“Disclosure of information to foreign tax authorities etc

- 67A (1) If the Treasury by order declares that—

- (a) international tax enforcement arrangements which are specified in the order have been made in relation to any territory or territories outside the United Kingdom in association with double taxation arrangements specified under paragraph 66 in the same or a previous order, and
- (b) it is expedient that those international tax enforcement arrangements have effect,

those arrangements have effect, and do so in spite of anything in any enactment or instrument.

- (2) “International tax enforcement arrangements” means arrangements which relate to one or both of the following—

- (a) the exchange of information foreseeably relevant to the administration, enforcement or recovery of the bank levy or any equivalent foreign levy to which the double taxation arrangements relate;
- (b) the service of documents relating to the bank levy or any such equivalent foreign levy.

- (3) An order under this paragraph revoking an earlier order may contain transitional provisions that appear to the Treasury to be necessary or expedient.

- (4) Subsections (4) and (5) of section 173 of FA 2006 (international tax enforcement arrangements: disclosure of information) apply to arrangements which have effect under this paragraph as they apply to arrangements which have effect under that section.

- (5) Orders under this paragraph are to be made by statutory instrument.

- (6) A statutory instrument containing an order under this paragraph is subject to annulment in pursuance of a resolution of the House of Commons.”

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- (3) Accordingly, the italic heading before paragraph 68 is omitted.

Transitional provision

- 12 (1) This paragraph applies where—
- (a) an amount of the bank levy is treated as if it were an amount of corporation tax chargeable on an entity (“E”) for an accounting period of E,
 - (b) the chargeable period in respect of which the amount of the bank levy is charged falls (or partly falls) on or after 1 January 2012, and
 - (c) under the Instalment Payment Regulations, one or more instalment payments, in respect of the total liability of E for the accounting period, were treated as becoming due and payable before the commencement date (“pre-commencement instalment payments”).
- (2) Paragraphs 2 to 10 are to be ignored for the purpose of determining the amount of any pre-commencement instalment payment.
- (3) If there is at least one instalment payment, in respect of the total liability of E for the accounting period, which under the Instalment Payment Regulations is treated as becoming due and payable on or after the commencement date (“post-commencement instalment payments”), the amount of that instalment payment, or the first of them, is to be increased by the adjustment amount.
- (4) If there are no post-commencement instalment payments, a further instalment payment, in respect of the total liability of E for the accounting period, of an amount equal to the adjustment amount is to be treated as becoming due and payable at the end of the period of 30 days beginning with the commencement date.
- (5) “The adjustment amount” is the difference between—
- (a) the aggregate amount of the pre-commencement instalments determined in accordance with sub-paragraph (2), and
 - (b) the aggregate amount of those instalment payments determined ignoring sub-paragraph (2) (and so taking account of paragraphs 2 to 10).
- (6) In the Instalment Payment Regulations—
- (a) in regulations 6(1)(a), 7(2), 8(1)(a) and (2)(a), 9(5), 10(1), 11(1) and 13, references to regulation 4A, 4B, 4C, 4D, 5, 5A or 5B of those Regulations are to be read as including a reference to sub-paragraphs (1) to (5) (and in regulation 7(2) “the regulation in question”, and in regulation 8(2) “that regulation”, are to be read accordingly), and
 - (b) in regulation 9(3), the reference to those Regulations is to be read as including a reference to sub-paragraphs (1) to (5).
- (7) In section 59D of TMA 1970 (general rule as to when corporation tax is due and payable), in subsection (5), the reference to section 59E is to be read as including a reference to this paragraph.
- (8) In this paragraph—
- “the chargeable period” is to be construed in accordance with paragraph 4 or (as the case may be) 5 of Schedule 19 to FA 2011;
 - “the commencement date” means the day on which this Act is passed;
 - “the Instalment Payment Regulations” means the Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175);

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and references to the total liability of E for an accounting period are to be construed in accordance with regulation 2(3) of the Instalment Payment Regulations.