

## SCHEDULES

### SCHEDULE 19

#### THE BANK LEVY

#### PART 4

#### CHARGEABLE EQUITY AND LIABILITIES

#### *Chargeable equity and liabilities of a UK banking group or a building society group*

- 15 (1) This paragraph applies if the relevant group is a UK banking group or a building society group.
- (2) To determine the amount of the relevant group's chargeable equity and liabilities—
- (a) determine the amount of the group's equity and liabilities (other than excluded equity and liabilities) as at the end of the chargeable period,
  - (b) adjust that amount in accordance with paragraphs 16 and 44 (so far as applicable), and
  - (c) finally, reduce that amount (but not below nil) by—
    - (i) the amount of the group's high quality liquid assets as at the end of that period, other than any asset which for the purposes of an adjustment under paragraph (b) is an asset to which paragraph 16(4) applies, and
    - (ii) where sub-paragraph (4) applies, the amount determined under that sub-paragraph.
- (3) Sub-paragraph (4) applies where—
- (a) as at the end of the chargeable period, the assets of the group include a financial asset in respect of an advance of cash made by a member of the group,
  - (b) that financial asset is not an asset which, for the purposes of an adjustment under sub-paragraph (2)(b), is an asset to which paragraph 16(4) applies, and
  - (c) underlying that asset, as collateral, is an item ("the collateral") owned by that member which would form part of the group's high quality liquid assets as at the end of that period were the collateral, rather than the financial asset, an asset of the group.
- (4) The amount within sub-paragraph (2)(c)(ii) is—
- (a) the amount of the financial asset as at the end of that period or, if lower, an amount equal to the fair value of the collateral as at that time, or
  - (b) if this sub-paragraph applies in relation to more than one financial asset, the total of the amounts determined under paragraph (a) in respect of each of those assets.

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*Status: This is the original version (as it was originally enacted).*

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- (5) For the purposes of this paragraph and paragraph 16 the relevant group's assets, equity and liabilities are to be determined by reference to—
- (a) the amounts recognised in the group's consolidated financial statements for the chargeable period as prepared under international accounting standards or UK GAAP, or
  - (b) if no such financial statements are prepared, the amounts which would have been so recognised had consolidated financial statements for the group been prepared for the chargeable period under international accounting standards.
- (6) In reducing the amount of any equity or liabilities under sub-paragraph (2)(c), long term equity and liabilities are to be reduced before short term liabilities.