

FINANCE ACT 2012

EXPLANATORY NOTES

INTRODUCTION

Section 211 Schedule 34: the Bank Levy

Details of the Section

Joint ventures

14. Paragraphs 8 to 10 amend paragraphs 43 and 44 of Schedule 19, which relate to the calculation of chargeable equity and liabilities where a relevant group has an interest in a joint venture.
15. Paragraph 8(1) introduces the changes that are being made.
16. Paragraph 8(2) replaces paragraph 43(1)(d) and (e) with a new paragraph 43(1)(d). The changes mean that paragraph 43 will now apply to both UK resident and non resident joint ventures, and will only apply where the liabilities of the joint venture have not already been taken into account when calculating the chargeable equity and liabilities of the relevant group.
17. Paragraph 8(3) substitutes a new paragraph 43(2). New paragraph 43(2)(a) requires the relevant group to determine its chargeable equity and liabilities on the basis that the joint venture is a member of the group, but only to the extent of the group's interest in the joint venture's assets and liabilities. New paragraph 43(2)(b) ensures that the joint venture is treated as if it were not a member of the group in relation to the remaining liabilities and assets.
18. Paragraph 9 amends paragraph 44(7)(b) to ensure that when calculating the chargeable equity and liabilities of a joint venture in its own right, any amounts that are already charged in the venturer's banking group under paragraph 43, are not charged for a second time.
19. Paragraph 10 explains that the amendment made by paragraphs 8 and 9 have effect for all chargeable periods ending on or after 1 January 2012.