
*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2018, PART 2. (See end of Document for details)*

SCHEDULES

SCHEDULE 9

BANK LEVY

PART 2

MISCELLANEOUS AMENDMENTS

Introductory

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

Joint ventures

- 17 (1) In Part 5 (supplementary provision), omit paragraphs 43 and 44 (joint ventures).
(2) In paragraph 27(2)(b) (determining the amount of a relevant foreign bank's chargeable equity and liabilities: adjustments), omit “and 44”.

Joint and several liability

- 18 In paragraph 53 (joint and several liability), after sub-paragraph (2) insert—
“(2A) But sub-paragraph (2) is subject to paragraph 53A (ring-fenced bodies).”
- 19 After paragraph 53, insert—
“53A(1) This paragraph applies where—
(a) an entity (the “ring-fenced entity”) which is a member of the relevant group is—
(i) a ring-fenced body, or
(ii) a member of a ring-fenced body sub-group,
or both, and
(b) the entity is not the relevant group's responsible member.
- (2) The ring-fenced entity is jointly and severally liable for the bank levy liability of the relevant group's responsible member under paragraph 53(2) only so far as the liability is—
(a) attributable to the ring-fenced body sub-group of which the ring-fenced entity is a member, or
(b) if the ring-fenced entity is not a member of a ring-fenced body sub-group, attributable to that entity.
- (3) For the purposes of sub-paragraph (2)—
(a) the bank levy liability that is attributable to a ring-fenced body sub-group is the amount of the bank levy that would be charged for the

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- chargeable period in relation to that sub-group if it were “the relevant group” for the purposes of this Part;
- (b) the bank levy liability that is attributable to a ring-fenced entity is the amount of the bank levy that would be charged for the chargeable period in relation to that entity if it were “the relevant entity” for the purposes of this Part.
- (4) “Ring-fenced body” has the same meaning as in the Financial Services and Markets Act 2000 (see section 142A of that Act).
- (5) A “ring-fenced body sub-group” is a group of entities consisting of—
- (a) an RFB parent undertaking and its subsidiaries, or
- (b) a ring-fenced body, which is not a subsidiary of an RFB parent undertaking, and the ring-fenced body's subsidiaries.
- (6) “RFB parent undertaking” means a body corporate which is subject to rules made under section 192JA of the Financial Services and Markets Act 2000 (rules applying to parent undertakings of ring-fenced bodies).”

Meaning of “the responsible member”

- 20 (1) Paragraph 54 (meaning of “the responsible member”) is amended in accordance with this paragraph.
- (2) In sub-paragraph (3) (requirements), for paragraphs (c) and (d) substitute—
- “(c) either—
- (i) during the nomination period the parent entity, or another entity acting on behalf of the parent entity, nominated E to HMRC to be the responsible member, or
- (ii) the renewal conditions are met in relation to E, and
- (d) HMRC did not—
- (i) in a case within paragraph (c)(i), reject E's nomination;
- (ii) in a case within paragraph (c)(ii), make a determination under paragraph 55A.”
- (3) In sub-paragraph (3), in the words after paragraph (d)—
- (a) for “paragraph 55” substitute “ paragraphs 55 and 55A ”;
- (b) at the end insert “ and renewals ”.
- (4) After sub-paragraph (3) insert—
- “(3A) The renewal conditions are met in relation to E if—
- (a) E was the relevant group's responsible member at the end of the immediately preceding chargeable period, and
- (b) neither the parent entity, nor another entity acting on behalf of the parent entity, nominated an entity other than E during the nomination period.
- (3B) In sub-paragraphs (3) and (3A), “nomination period” means the first 45 days of the chargeable period.”
- (5) After sub-paragraph (6) insert—
- “(6A) Sub-paragraph (6B) applies if—

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- (a) HMRC rejects E's nomination (see sub-paragraph (3)(d)(i)), and
- (b) within the period of 30 days after the day on which HMRC rejects the nomination, HMRC and the parent entity, or another entity acting on behalf of the parent entity, agree that another entity (“A”) which is a chargeable member of the relevant group is to be the relevant group's responsible member.

(6B) Where this sub-paragraph applies—

- (a) A is the relevant group's responsible member, and
- (b) sub-paragraphs (4) and (5) do not apply.”

(6) In sub-paragraph (7), after “(as the case may be),” insert “ and sub-paragraph (6B) does not apply, ”.

21 After paragraph 55, insert—

“55A(1) This paragraph applies for the purposes of paragraph 54(3)(c)(ii) and (d)(ii).

- (2) HMRC may from time to time publish requirements as to the information to be provided by, or on behalf of, the relevant group's responsible member before the end of the nomination period.
- (3) In a case within paragraph 54(3)(c)(ii), HMRC may determine that E is not to be the relevant group's responsible member for the chargeable period.
- (4) A determination under sub-paragraph (3) must be made within the period of 30 days from the end of the nomination period.
- (5) HMRC may make a determination under this paragraph only if—
 - (a) information required under sub-paragraph (2) has not been provided to HMRC, or
 - (b) HMRC has reason to believe that E—
 - (i) has ceased to be a chargeable member of the relevant group,
 - (ii) no longer has an accounting period for corporation tax purposes which is the same as the chargeable period, or
 - (iii) will turn out not to have sufficient resources to pay the bank levy.”

International accounting standards

22 In paragraph 4 (bank levy to be charged in relation to certain groups of entities), omit sub-paragraphs (5) to (7).

23 In paragraph 12 (definition of “banking group”), in sub-paragraph (7), omit paragraph (b) and the “or” preceding it.

24 In paragraph 13 (definition of “banking group”: exempt activities condition)—

- (a) in sub-paragraph (2)(b)(i), for “the applicable accounting standards” substitute “ international accounting standards ”,
- (b) in sub-paragraph (4), omit the definition of “the applicable accounting standards”, and
- (c) in sub-paragraph (4), in the definition of “net-basis activities”, for “the applicable accounting standards” substitute “ international accounting standards ”.

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- 25 In paragraph 14 (definition of “assets”, “equity” and “liabilities”), omit sub-paragraph (2).
- 26 In paragraph 24 (definition of “UK allocated equities and liabilities”)—
(a) in sub-paragraph (2)(a), omit “or UK GAAP”, and
(b) in sub-paragraph (2)(b), omit sub-paragraph (ii) and the “or” preceding it.
- 27 In paragraph 35 (exclusion of relevant tax liabilities)—
(a) in sub-paragraph (2), in the words before paragraph (a), omit the words from “In relation to” to “international accounting standards,”;
(b) omit sub-paragraph (3).
- 28 In paragraph 36 (exclusion of relevant retirement benefit liabilities)—
(a) in sub-paragraph (2), omit the words from “In relation to” to “international accounting standards,”;
(b) omit sub-paragraph (3).
- 29 In paragraph 42 (financial statements etc)—
(a) in sub-paragraph (8), omit paragraphs (b) and (c), and
(b) omit sub-paragraphs (9) and (10).
- 30 In paragraph 70 (general definitions)—
(a) omit the definition of “UK GAAP”, and
(b) omit the definition of “US GAAP”.
- 31 In paragraph 71 (definition of “asset management activities”), in sub-paragraph (3), omit paragraph (b) and the “or” preceding it.
- 32 In paragraph 72 (definition of “capital resources condition”), in sub-paragraph (7), omit paragraph (b) and the “or” preceding it.
- 33 In paragraph 73 (definition of “excluded entity”), in sub-paragraph (3), omit paragraph (b) and the “or” preceding it.
- 34 In paragraph 81 (power to make consequential changes), in sub-paragraph (1)(c) omit “, UK GAAP or US GAAP”.

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