



Financial Services and Markets Act 2023

2023 CHAPTER 29

PART 6

MISCELLANEOUS

Bank of England levy

70 Bank of England levy

- (1) The Bank of England Act 1998 is amended as follows.
- (2) Omit section 6 and Schedule 2 (cash ratio deposits).
- (3) Before section 7 insert—

“6A Bank of England levy

Schedule 2ZA makes provision for the Bank to impose a charge on financial institutions in connection with the pursuit of its financial stability and monetary policy objectives.”

- (4) Before Schedule 2A (financial policy committee) insert—

“SCHEDULE 2ZA

Section 6A

BANK OF ENGLAND LEVY

“The levy”

- 1 (1) The Bank may impose a charge on eligible institutions in accordance with this Schedule.
- (2) The charge is to be known as the Bank of England levy (and is referred to in this Schedule as “the levy”).

Changes to legislation: There are currently no known outstanding effects for the Financial Services and Markets Act 2023, Section 70. (See end of Document for details)

“Eligible institutions”

- 2 (1) For the purposes of this Schedule, an “eligible institution” is a person who, at any time during a levy year, is an authorised deposit-taker.
- (2) An “authorised deposit-taker” for these purposes is a person who has permission under Part 4A of the Financial Services and Markets Act 2000 to accept deposits, other than—
- (a) a credit union;
 - (b) a friendly society;
 - (c) a person who has such permission only in the course of effecting or carrying out contracts of insurance in accordance with that permission.
- (3) In this paragraph—
- “credit union” has the meaning given by section 31(1) of the Credit Unions Act 1979 or Article 2(2) of the Credit Unions (Northern Ireland) Order 1985;
- “friendly society” means a society that is registered within the meaning of the Friendly Societies Act 1974 or incorporated under the Friendly Societies Act 1992;
- “levy year” has the meaning given by paragraph 3.
- (4) The Treasury may by regulations—
- (a) amend the foregoing provisions of this paragraph;
 - (b) amend any other provision of this Schedule in consequence of provision made under paragraph (a).

“Levy year”

- 3 (1) For the purposes of this Schedule, a “levy year” is—
- (a) the period of 12 months beginning on such day as the Bank may determine, and
 - (b) each subsequent period of 12 months.
- (2) The day determined under sub-paragraph (1)(a) may not be before the day on which the Financial Services and Markets Act 2023 is passed.

“Anticipated levy requirement”

- 4 (1) The Bank must, in respect of a levy year—
- (a) determine which of its policy functions it intends to fund (in whole or in part) by means of the levy;
 - (b) determine the total amount of the levy it reasonably considers it requires in connection with the funding of those functions (“the anticipated levy requirement”).
- (2) The Bank may add to the anticipated levy requirement for a levy year such amount (if any) that—
- (a) was required in connection with the funding of policy functions in the previous levy year, and

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- (b) was in excess of the total amount of the levy that it received in respect of that previous levy year.
- (3) For the purposes of this Schedule, a function of the Bank is a “policy function” if it is exercised in pursuit of—
 - (a) the Financial Stability Objective (see section 2A), or
 - (b) its objectives in relation to monetary policy (see section 11).
- (4) In making a determination in accordance with sub-paragraph (1), the Bank must take account of any other amounts which are, or are likely to be, available in the levy year to fund policy functions (for example, amounts of the levy received in respect of a previous levy year or amounts available from sources other than the levy).
- (5) The Bank must publish a determination made in accordance with sub-paragraph (1)—
 - (a) at such time before or during the levy year to which the determination relates as the Bank considers appropriate, and
 - (b) in such manner as the Bank considers appropriate.
- (6) The reference in sub-paragraph (3) to the exercise of a function includes anything done in preparation for, to facilitate, or otherwise in connection with, the exercise of the function.

Liability to pay the levy

- 5 (1) The amount of the levy that an eligible institution is liable to pay in respect of a levy year is to be determined by the Bank in accordance with regulations made by the Treasury.
- (2) Regulations under sub-paragraph (1) may—
 - (a) make provision by reference to the Bank’s anticipated levy requirement in respect of the levy year (see paragraph 4);
 - (b) make provision by reference to specified liabilities of an eligible institution;
 - (c) make provision for cases in which no amount of the levy or a reduced amount of the levy is payable.
- (3) Regulations made by virtue of sub-paragraph (2)(b) may include (among other things) provision—
 - (a) specifying types of liability that may or may not be taken into account for specified purposes;
 - (b) about how and when liabilities of a specified type are to be taken into account for specified purposes;
 - (c) about how the amount of a liability of a specified type is to be determined, including specifying times, or periods of time, by reference to which the amount is to be determined;
 - (d) for an amount of a liability of a specified type to be treated as reduced by the amount of assets of a specified type.
- (4) Regulations under sub-paragraph (1) may include provision conferring a discretion on the Bank to determine specified matters (including matters mentioned in sub-paragraph (2)(b) or (3)).

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- (5) Regulations made by virtue of sub-paragraph (4) may, in particular, confer a discretion—
- (a) to determine the method used to determine a matter, and
 - (b) to determine different methods to be used in relation to different eligible institutions.
- (6) In this section, “specified” means specified in the regulations.

Payment of the levy

- 6 (1) The Bank must notify each eligible institution that is liable to pay the levy in respect of a levy year of the following matters—
- (a) the levy year in respect of which the levy is payable;
 - (b) the amount of the levy the institution is liable to pay;
 - (c) the time by which the levy must be paid (or, if the Bank determines that the levy may be paid in instalments, the times by which each instalment must be paid);
 - (d) the methods by which the levy may be paid.
- (2) A time notified in accordance with sub-paragraph (1)(c) (or if more than one time is notified, the earliest of them) may not be before the end of the period of 30 days beginning with the day on which the notification is given.
- (3) Notification may be given in such form or in such manner as the Bank considers appropriate (and may be given in a different form or manner to different eligible institutions or eligible institutions of a different description).

Recovery of the levy

- 7 The levy is recoverable as a civil debt due to the Bank.
- See also paragraph 8 (interest on unpaid amounts of the levy).

Interest

- 8 (1) This paragraph applies where an eligible person has been notified—
- (a) of an amount of the levy that is payable, and
 - (b) the time by which the amount must be paid.
- (2) Interest is payable, at the rate mentioned in sub-paragraph (3), on any part of the amount mentioned in sub-paragraph (1)(a) which remains unpaid after the time mentioned in sub-paragraph (1)(b).
- (3) The rate mentioned in this sub-paragraph is the rate equivalent to an annual percentage rate of 4% above the benchmark rate.
- (4) The “benchmark rate” is—
- (a) the percentage rate announced from time to time by the Monetary Policy Committee of the Bank as the official dealing rate, or

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- (b) where an order under section 19 (Treasury reserve powers) is in force, any equivalent percentage rate determined by the Treasury under that order.
- (5) The Treasury may by regulations amend this paragraph so as to change the rate of interest payable on an unpaid amount of the levy.

Power to obtain information

- 9 (1) The Bank may, by written notice, require an eligible institution to provide information or documents in connection with the levy.
- (2) The notice must specify—
- (a) the information required;
 - (b) the form or manner in which the information must be provided;
 - (c) the time at which, or period within which, the information must be provided;
 - (d) the period to which the information must relate.

Regulations

- 10 (1) Before making regulations under this Schedule the Treasury must consult—
- (a) the Bank, and
 - (b) such other persons who appear to the Treasury to be representative of persons who are likely to be affected by the regulations.
- (2) When making regulations under this Schedule the Treasury must have regard to the financial needs of the Bank.
- (3) Regulations under this Schedule are to be made by statutory instrument.
- (4) Regulations under this Schedule may—
- (a) make different provision for different purposes;
 - (b) make incidental, supplemental, consequential, saving or transitional provision.
- (5) A statutory instrument containing (whether alone or with other provision) regulations under paragraphs 2(4) or 5(1) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.
- (6) A statutory instrument containing only regulations under paragraph 8(5) is subject to annulment in pursuance of a resolution of either House of Parliament.”

Commencement Information

- I1** S. 70 not in force at Royal Assent, see [s. 86\(3\)](#)
- I2** [S. 70\(1\)\(3\)\(4\)](#) in force at 1.1.2024 for specified purposes by [S.I. 2023/1382, reg. 9\(1\)\(c\)](#)
- I3** [S. 70\(1\)\(3\)\(4\)](#) in force at 1.3.2024 in so far as not already in force by [S.I. 2024/250, reg. 2\(b\)](#)
- I4** [S. 70\(2\)](#) in force at 1.3.2024 by [S.I. 2024/250, reg. 2\(b\)](#)

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