

**Changes to legislation:** Finance Act 2011, Part 7 is up to date with all changes known to be in force on or before 19 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

## SCHEDULES

### SCHEDULE 19

#### THE BANK LEVY

#### PART 7

#### DOUBLE TAXATION RELIEF<sup>[F1]</sup>ETC]

##### Textual Amendments

- F1** Word in Sch. 19 Pt. 7 cross-heading inserted (with effect in accordance with s. 204(5)-(7) of the amending Act) by [Finance Act 2013 \(c. 29\)](#) , [s. 204\(4\)\(b\)](#)

##### *Arrangements affording double taxation relief*

- 66 (1) If the Treasury by order declares—
- (a) that arrangements specified in the order have been made in relation to any foreign territory with a view to affording relief from double taxation in relation to the bank levy and any equivalent foreign levy, and
  - (b) that it is expedient that those arrangements should have effect,
- those arrangements (“double taxation arrangements”) have effect so far as they provide for relief from the bank levy.
- (2) In this Part of this Schedule—
- “ equivalent foreign levy ”, in relation to a foreign territory, means any tax imposed by the law of that territory which corresponds to the bank levy;
  - “ foreign territory ” means a territory outside the United Kingdom.
- (3) For the purposes of sub-paragraph (2), tax may correspond to the bank levy even though—
- (a) the tax is payable under the law of a province, state or other part of a country,
  - (b) it is levied by or on behalf of a municipality or other local body, or
  - (c) its proceeds form a fund used for a particular purpose.
- (4) Double taxation arrangements have effect under sub-paragraph (1)—
- (a) subject to the following provisions of this paragraph, and
  - (b) despite anything in any other enactment.
- (5) This paragraph gives effect to arrangements even if they provide for relief from the bank levy for periods before the making of the arrangements or before the passing of this Act.
- (6) Relief under this paragraph requires a claim.

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- (7) An order under this paragraph revoking an earlier order may contain transitional provisions that appear to the Treasury to be necessary or expedient.
- (8) The Treasury may by regulations make provision—
- (a) generally for carrying out the provisions of this paragraph or double taxation arrangements;
  - (b) for removing, or reducing the amount of, relief obtained by virtue of double taxation arrangements in circumstances where a scheme or arrangement of a specified description has been made or in other specified circumstances;
  - (c) for restricting the amount of relief allowed against an entity's liability for the bank levy for a chargeable period to an amount calculated in a specified manner.
- (9) Regulations under sub-paragraph (8)(a) may, in particular, provide that where, under double taxation arrangements, the Commissioners for Her Majesty's Revenue and Customs arrive at a solution to a case, or make a mutual agreement with an authority in another territory for the resolution of a case—
- (a) the Commissioners are to give effect to the solution or mutual agreement despite anything in any enactment, and
  - (b) any adjustment as is appropriate in consequence may be made.
- [<sup>F2</sup>(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.]
- (10) Regulations under this paragraph may—
- (a) amend any provision made by or under an Act whenever passed or made (including this Act), and
  - (b) contain transitional provisions that appear to the Treasury to be necessary or expedient.
- (11) Orders or regulations under this paragraph are to be made by statutory instrument.
- (12) A statutory instrument containing an order or regulations under this paragraph is subject to annulment in pursuance of a resolution of the House of Commons.

**Textual Amendments**

**F2** Sch. 19 para. 66(9A) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#) , [Sch. 34 para. 11\(1\)](#)

*Power to provide for double taxation relief*

- 67 (1) The Treasury may by regulations make provision for relief from the bank levy for the purpose of affording relief from double taxation in relation to the bank levy and any equivalent foreign levy imposed by the law of a foreign territory.
- (2) Regulations under this paragraph must specify the equivalent foreign levy or levies in respect of which they are made.
- (3) Regulations under this paragraph may, in particular—
- (a) provide for relief from the bank levy for periods before the making of the regulations or before the passing of this Act;

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- (b) make provision for removing, or reducing the amount of, relief obtained in circumstances where a scheme or arrangement of a specified description has been made or in other specified circumstances;
  - (c) make provision for restricting the amount of relief allowed against an entity's liability for the bank levy for a chargeable period to an amount calculated in a specified manner.
- (4) Regulations under this paragraph may—
- (a) make different provision for different purposes, cases or circumstances,
  - (b) amend any provision made by or under an Act whenever passed or made (including this Act), and
  - (c) contain transitional provisions that appear to the Treasury to be necessary or expedient.
- (5) Regulations under this paragraph are to be made by statutory instrument.
- (6) A statutory instrument containing regulations under this paragraph—
- (a) in a case where the reciprocity condition is met, are subject to annulment in pursuance of a resolution of the House of Commons, and
  - (b) in any other case, may not be made unless a draft has been laid before and approved by a resolution of that House.
- (7) The reciprocity condition is met if the Treasury is satisfied that in relation to the foreign territory or each of the foreign territories concerned—
- (a) appropriate provision has been made under the law of the territory for relief from double taxation in relation to the bank levy and the equivalent foreign levy under the law of that territory to which the regulations apply, or
  - (b) such provision will be made as a result of an agreement which has been entered into in relation to the territory.

*[<sup>F3</sup> Disclosure of information to foreign tax authorities etc*

#### Textual Amendments

**F3** Sch. 19 para. 67A and cross-heading inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#) , [Sch. 34 para. 11\(2\)](#)

- 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—

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- (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) [<sup>F4</sup>to] (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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**Textual Amendments**

- F4** Word in Sch. 19 para. 67A(4) substituted (31.12.2020) by [The Taxes \(Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/689\)](#), regs. 1, **20(2)(c)** (with regs. 39-41); 2020 c. 1, **Sch. 5 para. 1(1)**

F5 ...

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**Textual Amendments**

- F5** Sch. 19 para 68 (crossheading)(disclosure)(of)(information)(to)(foreign)(tax)(authorities) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#) , **Sch. 34 para. 11(3)**

- 68 (1) Sub-paragraph (2) applies if the law of a foreign territory makes provision allowing, in respect of payments of the bank levy, relief from an equivalent foreign levy payable under that law.
- (2) No obligation as to secrecy or other restriction on the disclosure of information prevents the Commissioners for Her Majesty's Revenue and Customs, or an officer of Revenue and Customs, from disclosing to the authorised officer of the authorities of the territory such facts as may be necessary to enable the proper relief to be given under the law of the territory.

*Consequential amendment to the Constitutional Reform and Governance Act 2010*

- 69 In section 23 of the Constitutional Reform and Governance Act 2010 (which excepts certain treaties from the requirements imposed by section 20 of that Act as to the laying of treaties before Parliament), after subsection (2) insert—
- “(2A) Section 20 does not apply to a treaty in relation to which an order may be made under paragraph 66 of Schedule 19 to the Finance Act 2011 (bank levy: arrangements affording double taxation relief).”

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*[<sup>F6</sup> Foreign levies to be ignored for purposes of income tax or corporation tax*

**Textual Amendments**

**F6** Sch. 19 para. 69A and cross-heading inserted (with effect in accordance with s. 204(5)-(7) of the amending Act) by [Finance Act 2013 \(c. 29\)](#) , s. **204(3)**

- 69A (1) In calculating profits or losses for the purposes of income tax or corporation tax—
- (a) no deduction is allowed in respect of any tax which is imposed by the law of a territory outside the United Kingdom and corresponds to the bank levy, and
  - (b) no account is to be taken of any amount which is paid (directly or indirectly) by a member of a group to another member for the purposes of meeting or reimbursing the cost of such a tax charged in relation to the group.
- (2) Paragraph 66(3) applies for the purposes of sub-paragraph (1) as it applies for the purposes of paragraph 66(2).]

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 23 para. 45(1)(ia) inserted by [2017 c. 10 Sch. 11 para. 6\(3\)](#)
- Sch. 23 para. 2(1A) inserted by [S.I. 2019/397 reg. 2\(2\)](#) (This amendment not applied to legislation.gvo.uk. Amending Regulations revoked on IP completion day by S.I. 2020/1544, regs. 1, 8; S.I. 2020/1641, reg. 2, Sch.)
- Sch. 23 para. 15A inserted by [S.I. 2019/397 reg. 2\(3\)](#) (This amendment not applied to legislation.gvo.uk. Amending Regulations revoked on IP completion day by S.I. 2020/1544, regs. 1, 8; S.I. 2020/1641, reg. 2, Sch.)