



Finance Act 2013

2013 CHAPTER 29

PART 4

EXCISE DUTIES AND OTHER TAXES

Bank levy

202 Bank levy: rates from 1 January 2013

- (1) Schedule 19 to FA 2011 (bank levy) is amended as follows.
- (2) In paragraph 6 (steps for determining the amount of the bank levy), in sub-paragraph (2)—
 - (a) for “0.044%” substitute “ 0.065% ”, and
 - (b) for “0.088%” substitute “ 0.130% ”.
- (3) In paragraph 7 (special provision for chargeable periods falling wholly or partly before 1 January 2013), in sub-paragraph (2) (as substituted by paragraph 6 of Schedule 34 to FA 2012), in the table in the substituted Step 7—
 - (a) in the second column for “0.0525%” substitute “ 0.065% ”, and
 - (b) in the third column for “0.105%” substitute “ 0.130% ”.
- (4) In Schedule 34 to FA 2012 (bank levy)—
 - (a) omit paragraph 5 (which substituted new rates from 1 January 2013), and
 - (b) in paragraph 7 for “paragraphs 5 and” substitute “ paragraph ”.
- (5) The amendments made by subsections (2) to (4) are treated as having come into force on 1 January 2013 (and accordingly the paragraph repealed by subsection (4) is treated as never having come into force).
- (6) Subsections (7) to (13) apply where—
 - (a) an amount of the bank levy is treated as if it were an amount of corporation tax chargeable on an entity (“E”) for an accounting period of E,

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- (b) the chargeable period in respect of which the amount of the bank levy is charged falls (or partly falls) on or after 1 January 2013, and
 - (c) under the Instalment Payment Regulations, one or more instalment payments, in respect of the total liability of E for the accounting period, were treated as becoming due and payable before the commencement date (“pre-commencement instalment payments”).
- (7) Subsections (1) to (5) are to be ignored for the purpose of determining the amount of any pre-commencement instalment payment.
- (8) If there is at least one instalment payment, in respect of the total liability of E for the accounting period, which under the Instalment Payment Regulations is treated as becoming due and payable on or after the commencement date (“post-commencement instalment payments”), the amount of that instalment payment, or the first of them, is to be increased by the adjustment amount.
- (9) If there are no post-commencement instalment payments, a further instalment payment, in respect of the total liability of E for the accounting period, of an amount equal to the adjustment amount is to be treated as becoming due and payable at the end of the period of 30 days beginning with the commencement date.
- (10) “The adjustment amount” is the difference between—
- (a) the aggregate amount of the pre-commencement instalments determined in accordance with subsection (7), and
 - (b) the aggregate amount of those instalment payments determined ignoring subsection (7) (and so taking account of subsections (1) to (5)).
- (11) In the Instalment Payment Regulations—
- (a) in regulations 6(1)(a), 7(2), 8(1)(a) and (2)(a), 9(5), 10(1), 11(1) and 13, references to regulation 4A, 4B, 4C, 4D, 5, 5A or 5B of those Regulations are to be read as including a reference to subsections (6) to (10) (and in regulation 7(2) “the regulation in question”, and in regulation 8(2) “that regulation”, are to be read accordingly), and
 - (b) in regulation 9(3), the reference to those Regulations is to be read as including a reference to subsections (6) to (10).
- (12) In section 59D of TMA 1970 (general rule as to when corporation tax is due and payable), in subsection (5), the reference to section 59E is to be read as including a reference to subsections (6) to (11).
- (13) In this section—
- “the chargeable period” is to be construed in accordance with paragraph 4 or (as the case may be) 5 of Schedule 19 to FA 2011;
 - “the commencement date” means the day on which this Act is passed;
 - “the Instalment Payment Regulations” means the Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175);
- and references to the total liability of E for an accounting period are to be construed in accordance with regulation 2(3) of the Instalment Payment Regulations.

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- (2) In paragraph 6 (steps for determining the amount of the bank levy), in sub-paragraph (2)—
- (a) for “0.065%” substitute “ 0.071% ”, and
 - (b) for “0.130%” substitute “ 0.142% ”.
- (3) In paragraph 7 (special provision for chargeable periods falling wholly or partly before 1 January 2013).
- (4) In sub-paragraph (1) for “2013” substitute “ 2014 ”.
- (5) In sub-paragraph (2) (as substituted by paragraph 6 of Schedule 34 to FA 2012), in the table in the substituted Step 7—
- (a) for the final entry in the first column substitute—
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- “1 January 2013 to 31 December 2013”, and
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- (b) at the end add—
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| “Any time on or after 1 January 2014 | 0.071% | 0.142%”. |
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- (6) In the italic heading immediately before that paragraph for “2013” substitute “ 2014 ”.
- (7) Accordingly, in Schedule 34 to FA 2012 (bank levy), omit paragraph 6(2).
- (8) The amendments made by this section come into force on 1 January 2014.

204 No deductions for UK or foreign bank levies

- (1) Schedule 19 to FA 2011 (the bank levy) is amended as follows.
- (2) In paragraph 46 (bank levy to be ignored for purposes of corporation tax and income tax), in paragraph (b), after “paid” insert “ (directly or indirectly) ”.
- (3) In Part 7 (double taxation relief), after paragraph 69 insert—

69A “Foreign levies to be ignored for purposes of income tax or corporation tax

- (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).”
- (4) Accordingly—

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- (a) in paragraph 3, after “double taxation relief” insert “ and with the deduction of foreign levies for the purposes of corporation tax and income tax ”, and
 - (b) in the heading for Part 7, after “RELIEF” insert “ ETC ”
- (5) The amendments made by this section have effect in relation to any period of account beginning on or after 1 January 2013.
- (6) The amendments made by subsections (3) and (4) also have effect in relation to any period of account beginning before that date, but only if, and to the extent that, the tax is the subject of a claim for relief under paragraph 66 or 67 of Schedule 19 to FA 2011 (bank levy: double taxation relief) made on or after 5 December 2012.
- (7) For the purposes of subsections (5) and (6), a period of account beginning before, and ending on or after 1 January 2013 is to be treated as if so much of the period as falls before that date, and so much of the period as falls on or after that date, were separate periods of account.

205 High quality liquid assets

- (1) In paragraph 70 of Schedule 19 to FA 2011 (bank levy: definitions), in subparagraph (1), in the definition of “high quality liquid asset” for “section 12.7.2(1) to (4)” substitute “section 12.7 (assets that are eligible for inclusion in a firm's regulatory liquid assets buffer)’.
- (2) The amendment made by this section has effect in relation to chargeable periods ending on or after 1 January 2011, and in relation to those chargeable periods the amendment is to be treated as always having had effect.

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