
DRAFT STATUTORY INSTRUMENTS

2024 No.

**The Bank of England Levy (Amount
of Levy Payable) Regulations 2024**

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Bank of England Levy (Amount of Levy Payable) Regulations 2024 and come into force on 1st March 2024.

(2) These Regulations extend to England and Wales, Scotland and Northern Ireland.

Interpretation

2. In these Regulations—

“the Act” means the Bank of England Act 1998;

“eligible liabilities” has the meaning given in regulation 4;

“the Schedule” means the Schedule to these Regulations.

Calculation of the amount of the levy that is payable

3.—(1) Where an eligible institution has an average liability base for a reference period that is up to and including £600 million, no amount of the levy is payable by that institution for the levy year to which that reference period relates.

(2) Where an eligible institution has an average liability base for a reference period that is above £600 million, the amount of the levy that the institution is liable to pay for the levy year to which that reference period relates is calculated by applying the following formula—

$AL \times EL/TEL$.

(3) For the purposes of the formula in paragraph (2)—

(a) “AL” is the amount of anticipated levy requirement for a levy year determined by the Bank in accordance with paragraph 4 of Schedule 2ZA (Bank of England levy) to the Act;

(b) “EL” is the amount of the average liability base for the reference period in relation to that levy year that is over £600 million for that eligible institution;

(c) “TEL” is the total sum of the average liability base for the reference period in relation to that levy year that is over £600 million for all eligible institutions that are liable to pay an amount of the levy under paragraph (2).

(4) When there is a new levy payer in a levy year, the Bank may do any of the following—

(a) when determining the amount of “AL” in paragraph (3)(a) for the new levy payer—

(i) disregard amounts that have been added to the anticipated levy requirement under paragraph 4(2) of Schedule 2ZA to the Act;

(ii) disregard amounts of levy received in respect of a previous levy year that have been taken into account in the anticipated levy requirement under paragraph 4(4) of Schedule 2ZA to the Act;

- (iii) make any other adjustments as it thinks fit to amounts of the anticipated levy requirement that relate to a previous levy year to reduce the amount of levy payable by the new levy payer;
 - (b) where the Bank is doing anything specified in sub-paragraph (a), make corresponding adjustments to the amount of levy payable by an eligible institution who is required to pay the levy but who is not a new levy payer using such method as the Bank thinks fit and may use different methods for different institutions.
- (5) In this regulation—
- (a) the liability base of an eligible institution at any time is the aggregate of those sterling and foreign currency liabilities of the institution which are eligible liabilities;
 - (b) a new levy payer is an eligible institution that is required to pay an amount of the levy under paragraph (2) in relation to a levy year, but that was not required to pay any levy in the previous levy year (irrespective of whether the eligible institution has paid a levy in any other levy year);
 - (c) the reference period in relation to a levy year is—
 - (i) the period beginning with 1st October and ending with 31st December for the year prior to the year in which the levy year begins, or
 - (ii) where paragraph (6) applies, such other period of no more than three months as the Bank thinks fit.
- (6) This paragraph applies where—
- (a) an eligible institution has not provided sufficient data for the period in paragraph (5)(c)(i) for the Bank to calculate the average liability base, or
 - (b) a person has become an eligible institution during or after the period in paragraph (5)(c)(i).
- (7) The Bank may use such method to calculate the average liability base for an eligible institution for the purposes of this regulation as it thinks fit, and may use different methods for different institutions.

Eligible liabilities

4.—(1) The eligible liabilities of an eligible institution means the aggregate of the amounts referred to in paragraphs 8 to 13 of Part 2 of the Schedule (amounts to be included when calculating eligible liabilities), less the aggregate of the amounts referred to in paragraphs 14 to 20 of Part 2 of the Schedule (amounts to be deducted when calculating eligible liabilities).

(2) The eligible liabilities of an eligible institution must be calculated in accordance with Part 3 of the Schedule.

Review

5.—(1) The Treasury must—

- (a) review these Regulations, and
- (b) publish a report setting out the conclusions of the review.

(2) The first report must be published before the end of the period of five years beginning with 1st March 2024.

Transitional provision for use of information

6.—(1) Paragraph (2) applies in relation to the determination by the Bank of the amount an eligible institution is liable to pay in respect of a levy year under paragraph 5 of Schedule 2ZA to the Act for the first year for which any such determination is made.

(2) Information obtained under paragraph 9 of Schedule 2 (cash ratio deposit) to the Act before 1st March 2024 may be used for the purpose of determining the amount an eligible institution is liable to pay under paragraph 5 of Schedule 2ZA to the Act.

Date

Name
Name
Two of the Lords Commissioners of His
Majesty's Treasury