

*Status: Point in time view as at 29/06/2017.*

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## SCHEDULES

### SCHEDULE 19

#### THE BANK LEVY

#### PART 3

##### GROUPS COVERED BY THE BANK LEVY

###### *Definition of “banking group”*

- 13 (1) The exempt activities condition is met for the purposes of paragraph 12(1)(b) if—
- (a) at least 90% of the trading income of the relevant group for the chargeable period derives from exempt activities, or
  - (b) at least 50% of the trading income of the relevant group for the chargeable period derives from non-financial trading activities.
- (2) For this purpose, the trading income of the relevant group for the chargeable period—
- (a) consists of the items mentioned in sub-paragraph (3), and
  - (b) is to be determined by reference to—
    - (i) the amounts recognised in the group's consolidated financial statements for the chargeable period as prepared under the applicable accounting standards, or
    - (ii) if no such financial statements are prepared, the amounts which would have been so recognised had consolidated financial statements for the group been prepared for the chargeable period under international accounting standards.
- (3) The items referred to in sub-paragraph (2)(a) are—
- (a) the group's gross income for the chargeable period arising from its activities (other than net-basis activities) without taking account of any deductions (whether for expenses or otherwise), and
  - (b) the group's net income for the chargeable period arising from its net-basis activities.
- (4) In this paragraph—
- “activities” includes buying, holding, managing and selling assets;
  - “the applicable accounting standards” means—
    - (a) international accounting standards, or
    - (b) US GAAP if the members of the relevant group are determined under paragraph 4(7);
  - “dealing on own account” has the same meaning as in [\[<sup>F1</sup>Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014\] on markets in financial instruments \(see Article 4\(1\)\(6\)\)](#);

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“deposit” has the meaning given by article 5(2) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ( S.I. 2001/544) but ignoring the exclusions in articles 6 to 9AB;

“exempt activities” means—

(a) insurance activities, asset management activities and related activities, and

(b) non-financial trading activities;

“financial trading entity” means an entity which—

(a) is an authorised person for the purposes of FISMA 2000 (see section 31 of that Act),

(b) is not UK resident, but if it were and it carried on its activities in the United Kingdom, would be required to be an authorised person, or

(c) is not within paragraph (a) or (b) but carries on a trade consisting wholly or partly in dealing in securities;

“insurance activities” means—

(a) the effecting or carrying out of contracts of insurance by a regulated insurer, and

(b) investment business that arises directly from activities falling within paragraph (a);

“lending activities” means—

(a) acceptance of deposits or other repayable funds,

(b) lending of money, including consumer credit, mortgage credit, factoring (with or without recourse) and financing of commercial transactions (including forfeiting),

(c) finance leasing (as lessor),

(d) issuing and administering means of payment,

(e) provision of guarantees or commitments to provide money,

(f) money transmission services,

(g) provision of alternative finance arrangements, and

(h) other activities carried on in connection with activities falling within any of paragraphs (a) to (g);

“net-basis activities” means activities normally reported on a net basis in consolidated financial statements prepared under the applicable accounting standards;

“non-financial trading activities” means activities carried on by an entity which is not a financial trading entity, other than—

(a) lending activities, and

(b) dealing on own account, with the exception of any hedging transactions in relation to activities which (disregarding this exception) are non-financial trading activities;

“regulated insurer”, in relation to the relevant group, means a member of the group which—

(a) is authorised under the law of any territory to carry on insurance business, or

(b) is a member of a body or organisation which is so authorised;

“related activities” means—

(a) activities which are ancillary to insurance activities or asset management activities of any entity which is a member of the relevant

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- group (whether or not the entity carrying on the insurance activities or asset management activities), and
- (b) activities which would not be carried on but for such insurance activities or asset management activities being carried on,
- but does not include dealing on own account;
- “ securities ” includes—
- (a) shares,
- (b) rights of unit holders in unit trust schemes to which TCGA 1992 applies as a result of section 99 of that Act, and
- (c) in the case of a company with no share capital, interests in the company possessed by members of the company.

#### **Textual Amendments**

- F1** Words in Sch. 19 para. 13(4) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 4 para. 14** (with reg. 7)

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