
Changes to legislation: Finance Act 2011, Paragraph 38A is up to date with all changes known to be in force on or before 28 June 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 4

CHARGEABLE EQUITY AND LIABILITIES

“Excluded” equity and liabilities

[^{F1}38A(1) Liabilities are excluded if they represent cash collateral provided as QCP margin in relation to a trade executed or to be executed under a client clearing agreement.

(2) Cash collateral is provided as “QCP margin” if, and to the extent that—

- (a) it exceeds the fair value of the instrument to which the trade relates, and
- (b) it corresponds to either—

- (i) an asset held in respect of the qualifying central counterparty which represents cash collateral provided to that qualifying central counterparty, or
- (ii) cash collateral provided to the qualifying central counterparty which has the effect of reducing a liability of the clearing member to the qualifying central counterparty.

(3) In this paragraph—

“clearing member”, in relation to a recognised central counterparty, has the meaning given by Article 2(14) of the EMIR Regulation,

“client” has the meaning given by Article 2(15) of the EMIR Regulation,

“client clearing agreement” means a contract between a clearing member of a qualifying central counterparty and a client, relating to the clearing of transactions with the qualifying central counterparty,

“derivative contract” has the meaning given by international accounting standards,

“the EMIR Regulation” means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories,

“qualifying central counterparty” means a central counterparty that has been either authorised or recognised under the EMIR Regulation,

“trade” means a transaction relating to the sale and purchase of a financial instrument or to the entering into of a derivative contract.]

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Textual Amendments

- F1** Sch. 19 para. 38A inserted (with effect in accordance with Sch. 26 para. 10(2) of the amending Act) by Finance Act 2014 (c. 26), **Sch. 26 para. 10(1)** (with Sch. 26 para. 13)

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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.)