
STATUTORY INSTRUMENTS

2016 No. 1212

The Bank Levy (Double Taxation Relief) (Single Resolution Fund Levy) Regulations 2016

Limits on credit

Restriction of credit

13.—(1) Where—

- (a) there is double taxation in relation to the bank levy and the SRF levy only in relation to a permanent establishment through which a trade is carried on in the United Kingdom by a relevant foreign bank, and
- (b) that relevant foreign bank is a relevant entity,

the credit under regulation 4(1) is only available to reduce the amount of the bank levy so far as it is attributable to the chargeable equity and liabilities of the permanent establishment.

(2) Subject to paragraph (3), the amount of the bank levy attributable to the chargeable equity and liabilities of the permanent establishment is calculated as follows.

Step 1

Determine the amount (“A”) of the chargeable equity and liabilities of the permanent establishment which is long term equity and liabilities and the amount (“B”) which is short term liabilities.

Step 2

Determine the amount (“C”) of the chargeable equity and liabilities of the relevant group which is long term equity and liabilities and the amount (“D”) which is short term liabilities.

Step 3

Determine the weighted average amount (“E”) of chargeable equity and liabilities of the permanent establishment as follows—

$$A + 2B$$

Step 4

Determine the proportion (“F%”) of the weighted average of chargeable equity and liabilities of the relevant group that relates to the weighted average of chargeable equity and liabilities of the permanent establishment (determined at step 3 as E) as follows—

$$\frac{E}{C + 2D}$$

Step 5

F% of the amount of the bank levy is the amount of the bank levy attributable to the chargeable equity and liabilities of the permanent establishment.

(3) If the basis of attribution in paragraph (2) would work unjustly or unreasonably, the attribution is to be made on another basis that is just and reasonable.