

Corporate & Financial Weekly Digest

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UK Government to Introduce Bank Levy

On December 9, the UK Government announced its intention to introduce a levy on UK banks and the UK branches and subsidiaries of foreign banks. The bank levy will be implemented for all accounting periods ending on or after January 1, and will be charged at an annual rate of 0.05% for 2011 and 0.075% from 2012 onwards. The levy will be charged on the bank's equity and liabilities, subject to certain exceptions such as Tier 1 capital, segregated client money and customer deposits protected by a depositor protection or insurance scheme. The first £20 billion (approximately \$32 billion) of liabilities will be exempt from the levy.

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