STATUTORY INSTRUMENTS

2026 No.

BANK LEVY

The Bank Levy (Definitions and Amendments) Regulations 2026

Made - - - -	*****
Laid before the House of Commons	*****
Coming into force - -	*1st January 2027*

The Treasury make these Regulations in exercise of the powers conferred by paragraphs 15V(3)(b) and (4)(b), 15W(4)(b) and (7), 15Y(2) and 81(1)(b) and (d) of Schedule 19 to the Finance Act 2011(**a**).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Bank Levy (Definitions and Amendments) Regulations 2026.

(2) These Regulations come into force on 1st January 2027.

(3) These Regulations have effect for chargeable periods beginning on or after 1st January 2027(**b**).

Amendment of Schedule 19 to the Finance Act 2011

2.—(1) Schedule 19 to the Finance Act 2011(**c**) (the bank levy) is amended as follows.

(2) In paragraph 30—

(a) in sub-paragraph (2) for the words from "Article 25" to the end of the sub-paragraph, substitute "Article 25 (Tier 1 Capital) of Chapter 3 of the Own Funds (CRR) Part of the PRA Rulebook ("the Own Funds (CRR) Part"), taking account of the transitional provisions in Article 485 (Exceptions) of that Chapter(**d**)";

(b) in sub-paragraph (3)—

(i) in the words before paragraph (a), for "Capital Requirements Regulation" substitute "Own Funds (CRR) Part";

(ii) at the end of paragraph (a) insert "and";

(**a**) 2011 c. 11. Paragraphs 15V to 15Y were inserted into Schedule 19 by paragraph 2 of Schedule 9 to the Finance Act 2018 (c. 3). Relevant amendments were made to paragraph 81(1) by paragraph 12 of Schedule 26 to the Finance Act 2014 (c. 26), paragraph 34 of Schedule 9 to the Finance Act 2018 (c. 3) and S.I. 2013/636 and 2022/286.

(**b**) "Chargeable period" has the meaning given by paragraph 70(1) of Schedule 19 to the Finance Act 2011.

(**c**) Relevant amendments were made by paragraph 9 of Schedule 26 to the Finance Act 2014, section 20 of the Finance (No. 2) Act 2015 (c. 33), paragraphs 9 and 32 of Schedule 9 to the Finance Act 2018 and S.I. 2013/636, 2016/874, 2019/689 and 2022/286.

(**d**) "Entity", "liabilities" and "the PRA Rulebook" have the meanings given by paragraph 70(1) of Schedule 19 to the Finance Act 2011.

(iii) in paragraph (b), for the words from “Capital Requirement Regulation” to “that Regulation,”, substitute “Own Funds (CRR) Part were those published by it in accordance with that Part.”;

(iv) omit paragraph (c) and the “and” preceding it;

(c) omit sub-paragraph (4).

(3) in paragraph 31, in sub-paragraph (4), for “Commission Regulation 2015/61”, wherever those words appear, substitute “Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook”.

(4) In paragraph 70 (general)—

(a) in sub-paragraph (1)—

(i) omit the definition of “Commission Regulation 2015/61”;

(ii) in the definition of “high quality liquid asset”—

(aa) in paragraph (a), for the words from “Article 416” to “firms” substitute “Article 416 of Chapter 4 of the Liquidity (CRR) Part of the PRA Rulebook”;

(bb) in paragraph (b), for “of Commission Regulation 2015/61” substitute “of Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook”;

(b) in sub-paragraph (2), in the list of terms, omit the entries relating to “authorised corporate director”, “capital resources requirement”, “discretionary investment manager”, “ILAS BIPRU firm”, “designated multilateral development bank” and “principal”;

(c) in sub-paragraph (2A), in the list of terms, at the appropriate place insert—

(i) ““authorised corporate director”;”;

(ii) ““discretionary investment manager”;”;

(iii) ““principal”;”.

(5) In paragraph 72 (“capital resources condition”)—

(a) in sub-paragraph (1), for “a capital resources requirement” substitute “an own funds requirement”;

(b) in sub-paragraph (2), in the words after paragraph (b)(ii), for “capital resources requirements” substitute “own funds requirements”;

(c) after sub-paragraph (7) insert—

“(8) In this paragraph “own funds requirement”—

(a) has the meaning given by the Glossary to the FCA Handbook in relation to an entity falling within paragraph (a) of the definition of “investment bank” in paragraph 70(1A);

(b) in relation to any other entity has the meaning given by Article 92(1)(c) of Chapter 4 of the Required Level of Own Funds (CRR) Part of the PRA Rulebook([a]).”.

([a]) “FCA Handbook” has the meaning given by paragraph 70(1) of Schedule 19 to the Finance Act 2011.

Amendment of the Bank Levy (Loss Absorbing Instruments) Regulations 2020

3.—(1) The Bank Levy (Loss Absorbing Instruments) Regulations 2020(**a**) are amended as follows.

(2) In regulation 2 (interpretation)—

(a) omit the definition of "Capital Requirements Regulation";

(b) omit the definition of "PRA Rulebook";

(c) in the definition of "relevant requirement", in paragraph (b) for "article 92 of the Capital Requirements Regulation" substitute "Article 92 of Chapter 4 of the Required Level of Own Funds (CRR) Part of the PRA Rulebook"(**b**).

(3) In regulation 3(2)(b) (loss absorbing instruments issued by overseas subsidiaries), for paragraph (i) substitute—

"(i) under Article 36 or 56(d) of Chapter 3 of the Own Funds (CRR) Part of the PRA Rulebook, and".

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

(**a**) S.I. 2020/1188, amended by S.I. 2022/838 and 2025/1333.
(**b**) Article 92 was inserted by Annex B of the PRA Rulebook: CRR Firms: (CRR) Instrument 2026 (PRA 2026/1) which comes into force on 1st January 2027.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend definitions in Schedule 19 to the Finance Act 2011 ("the Act") and the Bank Levy (Loss Absorbing Instruments) Regulations 2020 in consequence of changes to the Prudential Regulation Authority's Rulebook, changes in consequence of the Financial Services Act 2021 and the Financial Services and Markets Act 2023, and the implementation of Basel 3.1.

Regulation 1 provides for citation, commencement and effect. These Regulations have effect in relation to chargeable periods that begin on or after 1st January 2027.

Regulation 2 amends Schedule 19 to the Act to update definitions no longer used and to update other definitions in light of the changing regulatory regime.

Regulation 3 amends the Bank Levy (Loss Absorbing Instruments) Regulations 2020 ("the 2020 Regulations") to update definitions in light of the changing regulatory regime. Regulation 3 also removes the definition of "PRA Rulebook", with the consequence that the ambulatory definition of "PRA Rulebook" in paragraph 70(1) of Schedule 19 to the Act will apply for the purposes of the 2020 Regulations.

The PRA Rulebook: CRR Firms: (CRR) Instrument 2026 is available online at https://www.prarulebook.co.uk/-/media/pra/files/legal-instruments/2026/pra2026-1.pdf.

The PRA Rulebook is available online at https://www.prarulebook.co.uk.

The FCA Handbook and the Glossary to the Handbook are available online at https://handbook.fca.org.uk/home.

A person unable to access any documents referred to in these Regulations electronically may access them by inspection free of charge at HMRC, 100 Parliament Street, London, SW1A 2BQ.

A Tax Information and Impact Note covering this instrument will be available on the website at https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins.