

BANK OF ENGLAND LEVY
TERMS AND CONDITIONS

BACKGROUND

- (A) The Financial Services and Markets Act 2023 (“**FSMA 2023**”) amends the Bank of England Act 1998 (the “**Act**”) to enable the Governor and Company of the Bank of England (the “**Bank**”) to charge the Bank of England Levy (the “**Levy**”) to eligible institutions as defined in paragraph 2 of Schedule 2ZA of the Act. The amount of Levy that an eligible institution (“**Levy Payer**”) is liable to pay in the 12-month period beginning from 1 March in one calendar year to the last day of February in the following calendar year (“**Levy Year**”), will be determined by the Bank in accordance with primary legislation and regulations made by HM Treasury (“**HMT**”). The purpose of the Levy is to recover the amounts required by the Bank in connection with the funding of its policy functions. These are the functions exercised by the Bank in pursuit of its financial stability and monetary policy objectives.
- (B) These Terms and Conditions apply to all Levy Payers and set out the terms and conditions for the Levy. They should be read together with the Bank’s Framework Document.

TERMS AND CONDITIONS

1 DEFINITIONS AND INTERPRETATION

1.1 In these Terms and Conditions, except where the context otherwise requires:

"Act"	means the Bank of England Act 1998;
"Recognised Contact"	means a contact authorised to give instructions for and on behalf of the Levy Payer in connection with the Levy;
"Recognised Contact List"	means the list of contacts authorised to sign relevant communications for and on behalf of the Levy Payer in connection with the Levy, provided by the Levy Payer to the Bank in accordance with these Terms and Conditions;
"Bank"	means the Governor and Company of the Bank of England;
"Benchmark Rate"	means the percentage rate announced from time to time by the Monetary Policy Committee of the Bank as the official dealing rate, or where an order under section 19 (HMT reserve powers) of the Bank of England Act 1998 is in force, any equivalent percentage rate determined by HMT under that order;
"Business Day"	means a day (other than a Saturday or a Sunday) on which banks are open for business in London;

"CHAPS Member"	means an institution that has been admitted to membership of CHAPS;
"CHAPS Payment"	means an irrevocable, unconditional sterling payment between CHAPS Members settled across CHAPS Members' settlement accounts;
"Communication"	means an email, a Written Communication, or (with the agreement of the Bank) other form of communication between the Levy Payer and the Bank;
"Due Date"	means the Due Date as stated on the invoice issued by the Bank to the Levy Payer;
"Framework Document"	means the Bank of England Levy Framework Document as per the Bank's website and which may be updated from time to time;
"FSMA 2023"	means the Financial Services and Markets Act 2023;
"HMT"	means His Majesty's Treasury;
"Levy"	means the Bank of England Levy;
"Levy Payer"	means an eligible institution for the purposes of Schedule 2ZA of the Act, which is now or has previously become liable to pay the Bank of England Levy. Such eligible institutions will have eligible liabilities over £600 million and will broadly be UK deposit-taking institutions authorised under the Financial Services and Markets Act 2000. The definition of an eligible institution includes banks and building societies. HMT has the power to make regulations to amend the definition of an eligible institution in the future;
"Levy Year"	means the 12-month period beginning from 1 March in one calendar year to the last day of February in the following calendar year;
"Instruction"	means an instruction given by the Levy Payer to the Bank;
"Reference Period"	means the period from 1 October to 31 December prior to the start of each Levy Year;
"RTGS"	means the accounting arrangements established for the settlement in real time of sterling payments across settlement accounts maintained in the RTGS processor managed by the Bank;
"True-up"	means the Bank's process for ensuring that policy costs charged through the Levy are aligned to the actual costs incurred by the Bank. Any true up will be itemised on the invoice that the Bank issues to each Levy Payer;

"Written Communication" means a communication from the Levy Payer to the Bank (or vice versa) in writing delivered by hand or by post; and

"Written Instructions" means an instruction given by Written Communication by the Levy Payer to the Bank.

- 1.2 In these Terms and Conditions, except where the context otherwise requires:
- 1.2.1 any references to clauses, sub-clauses and schedules are to clauses, sub-clauses and schedules of these Terms and Conditions;
 - 1.2.2 references to a party include references to the successors or assigns (immediate or otherwise) of that party;
 - 1.2.3 an enactment, statutory provision, council directive, regulation, international convention or any other legislative provision includes a reference:
 - (a) to it as modified or re-enacted or both, from time to time; and
 - (b) to any subordinate legislation made or other thing done under the statutory provision;
 - 1.2.4 any reference to an English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include a reference to what most nearly approximates in that jurisdiction to the English legal term;
 - 1.2.5 any reference in these Terms and Conditions to these Terms and Conditions or any other document or agreement shall be construed as a reference to these Terms and Conditions, or such other document or agreement as amended, varied, novated or supplemented from time to time; and
 - 1.2.6 all references to time are to London time; and
 - 1.2.7 the schedule to these Terms and Conditions shall apply where a notice is required to be given by a Levy Payer (noting that the Levy Payer must keep notice details updated and the Bank may request such information in such form as it thinks fit); and
 - 1.2.8 these Terms and Conditions and the Framework Document (including any amendments made by the Bank from time to time, e.g. to reflect any future changes to the law or to the operation of the Levy) and any notices will be published on the Bank's website at www.bankofengland.co.uk.

2 INITIAL ACTIONS

- 2.1 A Levy Payer shall provide to the Bank;
- 2.1.1 a copy of its Recognised Contact List, authorised in a manner acceptable to the Bank. The Recognised Contact List shall specify:
 - (a) who is authorised to sign any Instructions regarding payment of all or part of the Levy on behalf of the Levy Payer; and
 - (b) who is authorised to give other Instructions regarding the Levy, including who is authorised: (i) to sign to certify changes to, or a

replacement of, the Recognised Contact List; and (ii) to sign to notify the Bank of proposed Transactions (as referred to in clause 11 below).

3 RECOGNISED CONTACT LIST

- 3.1 The Levy Payer shall:
- 3.1.1 notify the Bank immediately if there is an amendment to or replacement of the Levy Payer's Recognised Contact List; and
 - 3.1.2 provide the Bank with a copy of the amended or replacement list, authorised in a manner acceptable to the Bank.
- 3.2 The Bank shall be entitled to rely upon any Recognised Contact List until such time as it is amended or replaced in accordance with this clause.

4 LEVY INVOICING

- 4.1 Levy Payers will be informed of the amount of the Levy that they are required to pay by an invoice issued by the Bank.
- 4.2 An invoice will be issued by the Bank to each Levy Payer in or around July each year, which shall include the Levy amount payable by that Levy Payer for the Levy Year ahead and, where applicable, reflect any True-up calculation by the Bank for the prior Levy Year.
- 4.3 The Levy Payer may make a payment of the invoice in pounds sterling as set out in the Framework Document;
- 4.3.1 by BACS to the bank account as specified on the invoice;
 - 4.3.2 if the Levy Payer is a CHAPS Member, by a transfer in RTGS; or
 - 4.3.3 by any other method agreed in advance with the Bank.
- 4.4 If the Levy Payer is not a CHAPS Member, the Levy Payer may arrange for a third-party bank that is a CHAPS Member to pay the Levy by CHAPS Payment on its behalf.
- 4.5 Levy Payers must contact the Bank promptly in writing if the Levy Payer's contact details for receipt of Levy invoices requires any amendment.

5 PAYMENT OF THE LEVY

- 5.1 The Levy is to be paid in full by the Levy Payer without deduction on or before the Due Date for payment as specified in the invoice.

6 LATE PAYMENT CHARGE

- 6.1 A Levy Payer who does not pay the full amount of the Levy by the Due Date for payment specified in the invoice will incur a late payment charge of the Benchmark Rate plus 4% on any unpaid part of the Levy, accruing on a daily basis from the Due Date for payment until payment is made.

7 INVOICING OF THE LEVY AND TRUE-UP

- 7.1 The Bank shall issue an invoice to Levy Payers that are liable to pay the Levy in respect of the Levy Year. This invoice shall include:
- 7.1.1 the total amount payable by the Levy Payer in respect of the Levy Year;
 - 7.1.2 where applicable, any True-up calculation resulting from the prior Levy Year;
 - 7.1.3 the time by which the Levy charge for that Levy Payer must be paid; and
 - 7.1.4 the methods by which the Levy can be paid.
- 7.2 Levy Payers may raise an issue with an invoice with the Bank for consideration for a period of one year after the date when the invoice was issued by the Bank.

8 INSTRUCTIONS

- 8.1 Subject to these Terms and Conditions, the Levy Payer hereby authorises and requests the Bank:
- 8.1.1 **Email Instructions:** To act upon Email Instructions from the Levy Payer provided that such Email Instructions:
 - (a) are in a form approved by the Bank; and
 - (b) appear to the Bank to be sent by a Recognised Contact or Recognised Contacts.
 - 8.1.2 **Written Instructions:** To act upon Written Instructions, provided that such Written Instructions:
 - (a) are in a form approved by the Bank; and
 - (b) appear to the Bank to be signed by a Recognised Contact or Recognised Contacts;
- 8.2 Subject to these Terms and Conditions, the Levy Payer hereby authorises and requests the Bank to release information for audit purposes to such person(s) as the Levy Payer may request the Bank by instructions permitted under clause 8.1.

9 POSITION OF THE BANK

- 9.1 The Levy Payer agrees and acknowledges that:
- 9.1.1 the Bank, in performing its functions under these Terms and Conditions, shall be entitled without further enquiry to execute or otherwise act upon any Instruction or purported Instruction, information or purported information received by the Bank in a form appearing to the Bank to correspond to any of those permitted by these Terms and Conditions. In the event that it is subsequently discovered that such Instruction or information was not genuine or was not initiated by Recognised Contacts or (if sent electronically) was not initiated through the terminal and associated equipment from which it was purported to have been sent, or otherwise did not comply with the requirements of these Terms and Conditions; such execution or action shall, save in the case of wilful default or reckless disregard of the Bank's obligations, constitute a good discharge to the Bank;
 - 9.1.2 the Bank, and its representatives and agents shall not be liable, save in the case of wilful default or reckless disregard of the Bank's obligations, for any liability, claim, loss, damage or expense of any kind or nature in the course of carrying out the Bank's obligations under these Terms and Conditions and in no event shall the Bank be liable for any loss of profits or consequential or special loss or

damage, howsoever arising, whether or not the Bank knew or ought to have known that such loss of profits or consequential or special loss or damage would be likely to be suffered or incurred;

- 9.1.3 the Bank, and its representatives and agents shall not be liable, save in the case of wilful default or reckless disregard of the Bank's obligations, for any liability, claim, loss, damage or expense or any kind or nature resulting from any event of force majeure or other event beyond the Bank's reasonable control, including but not limited to acts of state, acts of war, terrorist attacks, power failures or breakdowns in communications linked to equipment of the Bank or of its nominees or agents, or the failure or disruption of any relevant payment or settlement system.
- 9.2 For the purposes of these Terms and Conditions and any other agreement entered into by the Levy Payer and the Bank in connection with the Levy, the Bank may convert any amount received or denominated in one currency into another currency at such rates as the Bank thinks fit and the Levy Payer shall indemnify the Bank against any fees, costs, charges and other expenses reasonably incurred by the Bank in connection with such conversion.
- 9.3 The Bank may at any time or times set-off any liability of the Levy Payer to the Bank against any liability of the Bank to the Levy Payer, whether such liability has arisen under these Terms and Conditions or otherwise, and whether any such liability is present or future, liquidated or unliquidated, and irrespective of the currency of its denomination. Any exercise by the Bank of the rights under this clause shall be without prejudice to any other rights or remedies available to it under these Terms and Conditions or otherwise.

10 INFORMATION

- 10.1 The Bank may disclose any information relating to a Levy Payer or its Levy:
- 10.1.1 which is required to be disclosed by law or regulation;
- 10.1.2 to the Financial Conduct Authority or any other governmental or competent regulatory authority, whether in the United Kingdom or elsewhere;
- 10.1.3 for the purposes of any criminal investigation whatever which is being or may be carried out or of any criminal proceedings whatever which have been or may be initiated, in either case whether in the United Kingdom or elsewhere; or
- 10.1.4 for the purposes of enabling or assisting the Bank to discharge its functions as a monetary authority.

11 MERGER, ACQUISITION OR SALE TRANSACTIONS

- 11.1 If the Levy Payer is to be a party to a merger, or make a material acquisition or disposal of assets and/or liabilities, or change its name (each a "**Transaction**") the Levy Payer shall notify the Bank in writing of such Transaction as soon as possible (such notification to be signed by a person having the authority to give Instructions regarding such Transactions), so the Bank can determine the implications of such a Transaction for the calculation of the Levy .

12 CEASING TO BE AN ELIGIBLE INSTITUTION

- 12.1 If the Levy Payer ceases to be an eligible institution (as defined in Schedule 2ZA of the Act) during a Levy Year, then subject to any right of set-off the Bank may have, whether under these Terms and Conditions, other applicable agreements or terms and conditions or general law, the Levy Payer's invoice for that Levy Year shall be payable in accordance with clause 4.

13 AMENDMENTS TO THESE TERMS AND CONDITIONS AND WAIVER; SEVERABILITY

- 13.1 The Levy Payer acknowledges that the Bank may amend these Terms and Conditions at any time upon written notice to the Levy Payer to that effect without the concurrence of any of the Levy Payers. The Bank will endeavour to give one month's notice of any amendment but reserves the right to introduce any amendments with immediate effect, if necessary.
- 13.2 No waiver or variation of any right under these Terms and Conditions in any one instance shall operate as a waiver or variation in any other instance or of any other rights. Any failure by either party to exercise any right under these Terms and Conditions, or any delay in exercising any such right, shall not operate as a waiver or variation of that or of any other such right; any defective or partial exercise of any such right shall not preclude any other or further exercise of that or of any other such right; and no act or course of conduct or negotiation on the part of any party shall preclude that party from exercising any such right or constitute a suspension or variation of any such right. The rights and remedies of each party provided in these Terms and Conditions are cumulative with, and not exclusive of, any rights of lien, sale, set-off or retention, or other rights or remedies which such party may have at common law, by statute or otherwise.
- 13.3 If any provision of these Terms and Conditions or any part of any such provision shall be held to be invalid, unlawful or unenforceable, such provision or part thereof (as the case may be) shall be ineffective only to the extent of such invalidity, unlawfulness or unenforceability, without rendering invalid, unlawful or unenforceable or otherwise prejudicing or affecting the remainder of such provision or any other provision of these Terms and Conditions.

14 ASSIGNMENT AND OTHER DEALINGS

- 14.1 The provisions of these Terms and Conditions shall be binding upon and inure to the benefit of the parties hereto in addition to their respective successors in title and permitted assigns.
- 14.2 The rights and obligations of the parties under these Terms and Conditions shall not be capable of assignment, charging or otherwise being dealt with by either party without the prior written consent of the other.

15 ENTIRE AGREEMENT

- 15.1 These Terms and Conditions supersede all prior mandates, arrangements, oral communications, proposals, written agreements and undertakings between the parties in relation to its subject matter (whether written or oral) and, subject to Schedule 2ZA of the Act, constitute the entire agreement between the parties in relation to the matters to which it applies.

16 NOTICES

- 16.2 Any notice required to be given under these Terms and Conditions may be delivered by hand, by post, or email communication to the party at its address, specified in Schedule 1 to these Terms and Conditions, or to such other address as one party may notify to the other in writing in accordance with this clause.
- 16.3 Any such notice shall be deemed to be served:
- 16.3.1 if left at the address of the party to be served between 8.15 a.m. and 5.00 p.m. on a Business Day, when it is so left or, if it is left before 8.15 a.m. on a Business Day, at 8.15 a.m. on that Business Day and in all other cases at 8.15 a.m. on the Business Day next following the time when it is left;
 - 16.3.2 if sent by post to a destination in the UK, at 8.15 a.m. on the second Business Day following the day of posting;
 - 16.3.3 if sent by post at a destination outside the UK, at 8.15 a.m. on the fifth Business Day following the day of posting; and
 - 16.3.4 if sent by email – when the email is received.
- 16.4 In proving the giving of a notice, it shall be sufficient to prove that the notice was delivered at the address for service or that the envelope containing such notice was properly addressed, the postage paid and the envelope posted (as the case may be).

17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

- 17.1 A person who is not a party to the agreement made pursuant to these Terms and Conditions shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

18 LAW AND JURISDICTION

- 18.1 These Terms and Conditions shall be governed by and construed in accordance with English Law. For the benefit of the Bank, the Levy Payer agrees that the English Courts shall have exclusive jurisdiction to hear and determine any action or proceedings that may arise out of or in connection with these Terms and Conditions, and for such purposes irrevocably submits to the jurisdiction of such courts.

SCHEDULE 1

NOTICES

	BANK OF ENGLAND	LEVY PAYER (TO BE COMPLETED BY LEVY PAYER AND RETURNED TO THE BoE LEVY TEAM)
ADDRESS	Bank of England Threadneedle Street London EC2R 8AH Attn: BoE Levy Team	
EMAIL	BoELevy@bankofengland.co.uk Attn: BoE Levy Team	