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# Bank levy double tax treaty with UK

**Germany and the UK have signed a double tax treaty on bank levies for retrospective application to January 1, 2011.**

On December 7, 2011, Germany and the UK signed a „Convention for the Avoidance of Double Charging of Bank Levies“. The German levy affected is the restructuring fund contribution. Under the treaty, the levy is to be raised on individual banks, including branches following the OECD income tax definition of permanent establishment. Double taxation is to be avoided by,

- Crediting the UK levy on a German banking subsidiary of a UK group against the German levy,
- Exempting the German branch of a UK bank from German levy,
- Crediting the German levy on the UK banking subsidiary of a German group against the UK levy,  
and
- Crediting the German levy on the UK branch of a German bank against the UK levy.

The treaty is completed with provisions on a mutual agreement procedure and on the exchange of information. It requires ratification and enters into force on the day the instruments of ratification are exchanged. It takes effect, though, as of January 1, 2011.

### **Schlagwörter**

German levy, bank levies