



Finance Act 1993

1993 CHAPTER 34

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Income tax: charge, rates and allowances

^{F1}51 Charge and rates of income tax for 1993-94.

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Textual Amendments

F1 S. 51 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F2}52 Personal and married couple's allowances.

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Textual Amendments

F2 S. 52 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Corporation tax charge and rate

53 Charge and rate of corporation tax for 1993.

Corporation tax shall be charged for the financial year 1993 at the rate of 33 per cent.

F³54 Small companies.

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Textual Amendments
F3 S. 54 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Interest: general

55 Relief for interest.

For the year 1993-94 the qualifying maximum defined in section 367(5) of the Taxes Act 1988 (limit on relief for interest on certain loans) shall be £30,000.

F⁴56

Textual Amendments
F4 S. 56 repealed (27.7.1999 with effect in relation to any payment of interest falling within s. 38(3)(4) of the amending Act) by [1999 c. 16](#), s. 139, [Sch. 20 Pt. III\(7\)](#) Note 4

57 Temporary relief for interest payments.

F⁵(1)

F⁵(2)

(3) In section 365 of that Act (relief on interest on loans to buy a life annuity), after subsection (1) there shall be inserted the following subsections—

“(1A) Where, in the case of any loan—

- (a) the condition specified in subsection (1)(d) above would not (apart from this subsection) be fulfilled with respect to any land by reason of its having ceased at any time to be used by a particular person as his only or main residence; and
- (b) the intention at that time of the person to whom the loan was made, or of each of the annuitants owning an estate or interest in that land, was to take steps, before the end of the period of 12 months after the day on which it ceased to be so used, with a view to the disposal of his estate or interest,

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that condition shall be treated in relation to interest on that loan as continuing to be fulfilled with respect to the land from that time until the end of that period or (if sooner) the abandonment by that person or any of those annuitants of his intention to dispose of his estate or interest.

(1B) If it appears to the Board reasonable to do so, having regard to all the circumstances of a particular case, they may direct that in relation to that case subsection (1A) above shall have effect as if for the reference to 12 months there were substituted a reference to such longer period as meets the circumstances of that case.”

^{F5}(4)

(5) This section shall have effect in relation to payments of interest made on or after 16th March 1993 (whenever falling due).

^{F5}(6)

^{F6}(7)

Textual Amendments

F5 S. 57(1)(2)(4)(6) repealed (27.7.1999 with effect in relation to any payment of interest falling within s. 38(3)(4) of the amending Act) by 1999 c. 16, s. 139, **Sch. 20 Pt. III(7)** Note 4

F6 S. 57(7) repealed (3.5.1994 with effect in accordance with s. 81(6) of the amending Act) by 1994 c. 9, ss. 81, 258, **Sch. 9 para. 12, Sch. 26 Pt. V(2)** Note

58 Overclaims in respect of deductions of mortgage interest.

(1) After subsection (6) of section 369 of the Taxes Act 1988 (recovery of amount treated as paid by recipient of interest paid subject to a deduction under that section) there shall be inserted the following subsection—

“(7) The following provisions of the Management Act, namely—

- (a) section 29(3)(c) (excessive relief),
- (b) section 30 (tax repaid in error etc.),
- (c) section 88 (interest), and
- (d) section 95 (incorrect return or accounts),

shall apply in relation to an amount which is paid to any person by the Board as an amount recoverable in accordance with regulations made by virtue of subsection (6) above but to which that person is not entitled as if it were income tax which ought not to have been repaid and, where that amount was claimed by that person, as if it had been repaid as a relief which was not due.”

(2) This section shall not apply in relation to any payment if the payment, or the claim on which it is made, was made before the day on which this Act is passed.

^{F7}**59 Interest payments to persons not ordinarily resident in UK.**

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

F7 S. 59 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

^{F8}**60**

Textual Amendments

F8 S. 60 repealed (1.10.2002) by [2002 c. 23](#), s. 141, **Sch. 40 Pt. 3(10)**, note 2

Interest etc. on debts between associated companies

^{F9}**61**

Textual Amendments

F9 S. 61 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Pt. IV of the repealing Act) by [1996 c. 8](#), s. 205, **Sch. 41 Pt. V(3)** Note

^{F10}**62**

Textual Amendments

F10 S. 62 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Pt. IV of the repealing Act) by [1996 c. 8](#), s. 205, **Sch. 41 Pt. V(3)** Note

^{F11}**62A**

Textual Amendments

F11 S. 62A repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Pt. IV of the repealing Act) by [1996 c. 8](#), s. 205, **Sch. 41 Pt. V(3)** Note

^{F12}**63**

Textual Amendments

F12 S. 63 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Pt. IV of the repealing Act) by [1996 c. 8](#), s. 205, **Sch. 41 Pt. V(3)** Note

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

F13 **64**

Textual Amendments

F13 S. 64 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Pt. IV of the repealing Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. V(3)** Note (with Sch. 15 para. 19(3))

Modifications etc. (not altering text)

C1 S. 64 amended (27.7.1999 with application as mentioned in s. 67(8) of the amending Act) by 1999 c. 16, s. 67(4)(8)

F14 **65**

Textual Amendments

F14 S. 65 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Pt. IV of the repealing Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. V(3)** Note (with Sch. 15 para. 20(2))

Modifications etc. (not altering text)

C2 S. 65 amended (27.7.1999 with application as mentioned in s. 67(8) of the amending Act) by 1999 c. 16, s. 67(4)(8)

F15 **66**

Textual Amendments

F15 S. 66 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Pt. IV of the repealing Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. V(3)** Note

Charitable donations

F16 **67** **Donations from companies and individuals.**

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Textual Amendments

F16 S. 67 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1

F17 **68** **Payroll deduction schemes.**

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

F17 S. 68 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

F18 69 Contributions to agent’s expenses.

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Textual Amendments

F18 S. 69 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Benefits in kind

70 Car benefits: 1993-94.

(1) In Schedule 6 to the Taxes Act 1988 (taxation of directors and others in respect of cars) for Part I (tables of flat rate cash equivalents) there shall be substituted—

“PART I

TABLES OF FLAT RATE CASH EQUIVALENTS

Table A

CARS WITH AN ORIGINAL MARKET VALUE UP TO £19,250 AND HAVING A CYLINDER CAPACITY

<i>Cylinder capacity of car in cubic centimetres</i>	<i>Age of car at end of relevant year of assessment</i>	
	<i>Under 4 years</i>	<i>4 years or more</i>
1,400 or less	£2,310	£1,580
More than 1,400 but not more than 2,000	£2,990	£2,030
More than 2,000	£4,800	£3,220

Table B

CARS WITH AN ORIGINAL MARKET VALUE UP TO £19,250 AND NOT HAVING A CYLINDER CAPACITY

<i>Original market value of car</i>	<i>Age of car at end of relevant year of assessment</i>
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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

	Under 4 years	4 years or more
Less than £6,000	£2,310	£1,580
£6,000 or more but less than £8,500	£2,990	£2,030
£8,500 or more but not more than £19,250	£4,800	£3,220

Table C

CARS WITH AN ORIGINAL MARKET VALUE OF MORE THAN £19,250

<i>Original market value of car</i>	<i>Age of car at end of relevant year of assessment</i>	
	Under 4 years	4 years or more
More than £19,250 but not more than £29,000	£6,210	£4,180
More than £29,000	£10,040	£6,660”

(2) This section shall have effect for the year 1993-94.

71 Car fuel: 1993-94.

(1) In section 158 of the Taxes Act 1988 (car fuel) for the Tables in subsection (2) (tables of cash equivalents) there shall be substituted—

“TABLE A

<i>Cylinder capacity of car in cubic centimetres</i>	<i>Cash equivalent</i>
1,400 or less	£600
More than 1,400 but not more than 2,000	£760
More than 2,000	£1,130

TABLE AB

<i>Cylinder capacity of car in cubic centimetres</i>	<i>Cash equivalent</i>
2,000 or less	£550
More than 2,000	£710

TABLE B

<i>Original market value of car</i>	<i>Cash equivalent</i>
Less than £6,000	£600

*Changes to legislation: There are currently no known outstanding effects
 for the Finance Act 1993, Part II. (See end of Document for details)*

£6,000 or more but less than £8,500	£760
£8,500 or more	£1,130”

(2) In subsection (5) of that section (reductions in cash equivalents) the words “or 3” shall be omitted.

(3) This section shall have effect for the year 1993-94.

F1972 Car and car fuel benefits: 1994-95 onwards.

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Textual Amendments

F19 S. 72 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 10 Pt. 13** (with [Sch. 9 paras. 1-9, 22](#))

F2073 Vans.

.....

Textual Amendments

F20 Ss. 73-76 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F2074 Heavier commercial vehicles.

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Textual Amendments

F20 Ss. 73-76 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F2075 Sporting and recreational facilities.

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Textual Amendments

F20 Ss. 73-76 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F2076 Removal expenses and benefits.

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

F20 Ss. 73-76 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

Taxation of distributions etc.

77 Application of lower rate.

F21(1)

F21(2)

F22(3)

F23(4)

(5) This section shall apply in relation to the year 1993-94 and subsequent years of assessment.

Textual Amendments

F21 S. 77(1)(2) repealed (29.4.1996 with effect in accordance with s. 73 and [Sch. 6](#) of the amending Act) by [1996 c. 8, s. 205](#), **Sch. 41 Pt. V(1)** Note 1

F22 S. 77(3) repealed (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), **Sch. 3** (with [Sch. 2](#))

F23 S. 77(4) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

F24**78**

Textual Amendments

F24 **S. 78** repealed (31.7.1998 with effect in accordance with [Sch. 3](#) of the repealing Act) by [1998 c. 36, s. 165](#), **Sch. 27 Pt. III(2)**, Note

79 Provisions supplemental to sections 77 and 78.

(1) Schedule 6 to this Act (which makes further provision for the purposes of and in connection with the provisions of sections 77 and 78 above) shall have effect.

F25(2)

F26(3)

Textual Amendments

F25 **S. 79(2)** repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), **Sch. 1 Pt. 10** Group 1

*Changes to legislation: There are currently no known outstanding effects
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F26 S. 79(3) repealed (29.4.1996 with effect in accordance with s. 73 and [Sch. 6](#) of the amending Act) by 1996 c. 8, s. 205, [Sch. 41 Pt. V\(1\)](#) Note 1

F27 **80 Transitional relief for charities etc.**

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Textual Amendments

F27 S. 80 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 355](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F28 **81**

Textual Amendments

F28 S. 81 repealed (31.7.1998 with effect in accordance with [Sch. 3](#) of the repealing Act) by 1998 c. 36, s. 165, [Sch. 27 Pt. III\(2\)](#), Note

Chargeable gains

82 Annual exempt amount for 1993-94.

For the year 1993-94 section 3 of the ^{M1}Taxation of Chargeable Gains Act 1992 (annual exempt amount) shall have effect as if the amount specified in subsection (2) were £5,800, and accordingly subsection (3) of that section (indexation) shall not apply for that year.

Marginal Citations

M1 1992 c. 12.

83 Annual exempt amount: indexation for 1994-95 onwards.

(1) In section 3(3) of the ^{M2}Taxation of Chargeable Gains Act 1992 (indexation of annual exempt amount) for “December” (in each place) there shall be substituted “September”.

(2) This section shall have effect for the year 1994-95 and subsequent years of assessment.

Marginal Citations

M2 1992 c. 12.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

84 Re-organisations etc. involving debentures.

- (1) In section 117 of the Taxation of Chargeable Gains Act 1992 (meaning of qualifying corporate bond), after subsection (6) there shall be inserted the following subsection—

“(6A) For the purposes of this section “corporate bond” also includes, except in relation to a person who acquires it on or after a disposal in relation to which section 115 has or has had effect in accordance with section 116(10)(c), any debenture issued on or after 16th March 1993 which is not a security (as defined in section 132) but—

- (a) is issued in circumstances such that it would fall by virtue of section 251(6) to be treated for the purposes of section 251 as such a security; and
- (b) would be a corporate bond if it were a security as so defined.”

- (2) In section 251 of that Act (general provisions in relation to debts), after subsection (5) there shall be inserted the following subsection—

“(6) For the purposes of this section a debenture issued by any company on or after 16th March 1993 shall be deemed to be a security (as defined in section 132) if—

- (a) it is issued on a reorganisation (as defined in section 126(1)) or in pursuance of its allotment on any such reorganisation;
- (b) it is issued in exchange for shares in or debentures of another company and in a case unaffected by section 137 where one or more of the conditions mentioned in paragraphs (a) to (c) of section 135(1) is satisfied in relation to the exchange;
- (c) it is issued under any such arrangements as are mentioned in subsection (1)(a) of section 136 and in a case unaffected by section 137 where section 136 requires shares or debentures in another company to be treated as exchanged for, or for anything that includes, that debenture; or
- (d) it is issued in pursuance of rights attached to any debenture issued on or after 16th March 1993 and falling within paragraph (a), (b) or (c) above.”

- (3) This section shall have effect in relation to any chargeable period ending on or after 16th March 1993 but, in relation to any accounting period of a company which began before 6th April 1992, this section shall have effect as if the references in this section, and in the amendments made by this section, to provisions of the Taxation of Chargeable Gains Act 1992 were references to such of the provisions of the ^{M3}Capital Gains Tax Act 1979 and the ^{M4}Finance Act 1984 as correspond to those provisions and have effect in relation to that accounting period.

Marginal Citations

M3 1979 c. 14.

M4 1984 c. 43.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

85 Personal equity plans.

After subsection (3) of section 151 of the Taxation of Chargeable Gains Act 1992 (personal equity plans) there shall be inserted the following subsection—

“(4) Regulations under this section may include provision which, for cases where a person subscribes to a plan by transferring or renouncing shares or rights to shares—

- (a) modifies the effect of this Act in relation to their acquisition and their transfer or renunciation; and
- (b) makes consequential modifications of the effect of this Act in relation to anything which (apart from the regulations) would have been regarded on or after their acquisition as an indistinguishable part of the same asset.”

86 Roll-over relief.

- (1) In section 155 of the ^{M5}Taxation of Chargeable Gains Act 1992 (classes of assets for the purposes of roll-over relief), after Class 5 there shall be inserted—

“CLASS 6

Ewe and suckler cow premium quotas (that is, rights in respect of any ewes or suckler cows to receive payments by way of any subsidy entitlement to which is determined by reference to limits contained in [^{F29}an EU] instrument).”

[^{F30}(2) The Treasury may by order made by statutory instrument amend section 155 of the Taxation of Chargeable Gains Act 1992 (roll-over relief: relevant classes of assets) so as to add to or amend the classes of assets specified in that section.

(2A) But an order under subsection (2) may not restrict the assets which fall within a class listed in that section (whether by virtue of subsection (2) or otherwise).

(2B) An order under subsection (2) may make such consequential amendments of section 156ZB of, or Schedule 7AB to, the Taxation of Chargeable Gains Act 1992 as appear to the Treasury to be appropriate.]

(3) A statutory instrument containing an order under subsection (2) above shall be subject to annulment in pursuance of a resolution of the House of Commons.

(4) Subsection (1) above shall apply where the disposal of the old assets (or an interest in them) or the acquisition of the new assets (or an interest in them) is on or after 1st January 1993; but, in relation to any accounting period of a company which began before 6th April 1992, subsection (1) above shall have effect as if the inserted class were numbered 5 and were inserted after Class 4 in section 118 of the ^{M6}Capital Gains Tax Act 1979.

Textual Amendments

F29 Words in Act substituted (22.4.2011) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011 \(S.I. 2011/1043\)](#), arts. 2, 3, 6 (with art. 3(2)(3), 4(2), 6(4)(5))

F30 S. 86(2)-(2B) substituted for s. 86(2) (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), s. 37(2)

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Marginal Citations

- M5** 1992 c. 12.
M6 1979 c. 14.

87 Relief on retirement or re-investment.

- (1) Schedule 7 to this Act (which amends the provisions of the Taxation of Chargeable Gains Act 1992 with respect to retirement relief and makes new provision in relation to relief on the re-investment of certain gains) shall have effect.
- (2) This section and that Schedule shall have effect in relation to any disposal made on or after 16th March 1993.

88 Restriction on set-off of pre-entry losses.

- (1) After section 177 of the Taxation of Chargeable Gains Act 1992 there shall be inserted the following section—

“177A Restriction on set-off of pre-entry losses.

Schedule 7A to this Act (which makes provision in relation to losses accruing to a company before the time when it becomes a member of a group of companies and losses accruing on assets held by any company at such a time) shall have effect.”

- (2) The Schedule set out in Schedule 8 to this Act shall be inserted after Schedule 7 to that Act.
- (3) This section and that Schedule—
 - (a) shall apply for the calculation of the amount to be included in respect of chargeable gains in a company’s total profits for any accounting period ending on or after 16th March 1993; but
 - (b) shall so apply only in relation to the deduction from chargeable gains accruing on or after 16th March 1993 of amounts in respect of, or of amounts carried forward in respect of—
 - (i) pre-entry losses accruing before it became a member of the relevant group to a company whose membership of that group began or begins at a time on or after 1st April 1987; and
 - (ii) losses accruing on the disposal of any assets so far as it is by reference to such a company that the assets fall to be treated as being or having been pre-entry assets or assets incorporating a part referable to pre-entry assets.
- (4) In relation to accounting periods beginning before 6th April 1992 this section and that Schedule shall have effect as if—
 - (a) the section and Schedule inserted by subsections (1) and (2) above were inserted in the ^{M7}Capital Gains Tax Act 1979; and
 - (b) references in the Schedule so inserted to provisions of the ^{M8}Taxation of Chargeable Gains Act 1992 were references to such of the provisions of that Act of 1979 or of any other enactment as correspond to the provisions referred to and have effect in relation to that accounting period.

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Marginal Citations
M7 1979 c. 14.
M8 1992 c. 12.

89 De-grouping charges.

(1) In section 179(4) of the Taxation of Chargeable Gains Act 1992 (time at which de-grouping charges accrue), for the words from “as follows” onwards there shall be substituted “at whichever is the later of the following, that is to say—

- (a) the time immediately after the beginning of the accounting period of that company in which or, as the case may be, at the end of which the company ceases to be a member of the group; and
- (b) the time when under subsection (3) above it is treated as having reacquired the asset;

and subsection (2) of section 409 of the Taxes Act (group relief) shall require any apportionment under that subsection to be made accordingly but shall not require any reference in this subsection to an accounting period to have effect for any of the purposes specified in subsection (3) of that section as a reference to any accounting period other than a true accounting period. ”

(2) This section shall have effect in relation to accounting periods ending after the day appointed for the purposes of section 180(1)(b) of that Act.

F3190

Textual Amendments
F31 S. 90 repealed (28.7.2000 with effect as mentioned in Sch. 40 Pt. II(12), note 10 of the amending Act) by 2000 c. 17, s. 156, Sch. 40 Pt. II(12)

91 Deemed disposals of unit trusts by insurance companies.

(1) Section 212 of the Taxation of Chargeable Gains Act 1992 (annual deemed disposal by insurance companies of unit trusts) shall have effect in relation to accounting periods beginning on or after 1st January 1993; and neither that section nor section 46 of the ^{M9}Finance Act 1990 (which is consolidated in that section) shall have effect in relation to any earlier accounting period in relation to which either of them would have applied apart from this subsection.

F32(2)

(3) In subsection (7) of that section 212, in the words after paragraph (b) (application of definitions in the Taxes Act 1988), for “and 214” there shall be substituted “ to 214A ”.

(4) After section 213(1) of that Act of 1992 (spreading of gains and losses), there shall be inserted the following subsection—

“(1A) Subsection (1) above shall not apply to chargeable gains or allowable losses except so far as they are gains or losses which—

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

- (a) are referable to basic life assurance and general annuity business; or
- (b) would (apart from that subsection) be taken into account in computing the profits of any business treated as a separate business under section 458 of the Taxes Act;

and that subsection shall apply separately in relation to the gains and losses falling within paragraph (a) above and those falling within paragraph (b) above for the purpose of determining what chargeable gains or allowable losses so referable are to be treated as accruing under that subsection and what chargeable gains or allowable losses to be so taken into account are to be treated as so accruing.”

F33(5)

F34(6)

Textual Amendments

- F32** S. 91(2) omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 91
- F33** S. 91(5) repealed (19.7.2007) by Finance Act 2007 (c. 11), Sch. 27 Pt. 2(10)
- F34** S. 91(6) repealed (19.7.2007) by Finance Act 2007 (c. 11), Sch. 27 Pt. 2(10)

Marginal Citations

- M9** 1990 c. 29.

Corporation tax: currency

F3592 The basic rule: sterling to be used

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Textual Amendments

- F35** Ss. 92-92E repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 277, Sch. 3 Pt. 1 (with Sch. 2)

F3592A Company operating in sterling and preparing accounts in another currency

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Textual Amendments

- F35** Ss. 92-92E repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 277, Sch. 3 Pt. 1 (with Sch. 2)

F3592B Company operating in currency other than sterling and preparing accounts in another currency

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

F35 Ss. 92-92E repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 277, **Sch. 3 Pt. 1** (with Sch. 2)

F35 92C Company preparing accounts in currency other than sterling

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Textual Amendments

F35 Ss. 92-92E repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 277, **Sch. 3 Pt. 1** (with Sch. 2)

F35 92D Sterling equivalents: the basic rule

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Textual Amendments

F35 Ss. 92-92E repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 277, **Sch. 3 Pt. 1** (with Sch. 2)

F35 92DA Sterling equivalents: carried-back amounts

.....

Textual Amendments

F35 Ss. 92-92E repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 277, **Sch. 3 Pt. 1** (with Sch. 2)

F35 92DB Sterling equivalents: carried-forward amounts

.....

Textual Amendments

F35 Ss. 92-92E repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 277, **Sch. 3 Pt. 1** (with Sch. 2)

F35 92DC Adjustment of sterling losses: carried-back amounts

.....

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

F35 Ss. 92-92E repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 277, **Sch. 3 Pt. 1** (with Sch. 2)

F35 92DD Adjustment of sterling losses: carried-forward amounts

.....

Textual Amendments

F35 Ss. 92-92E repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 277, **Sch. 3 Pt. 1** (with Sch. 2)

F35 92DE Meaning of “carried-back amount” and “carried-forward amount”

.....

Textual Amendments

F35 Ss. 92-92E repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 277, **Sch. 3 Pt. 1** (with Sch. 2)

F35 92E Interpretation of sections 92A to 92DD

.....

Textual Amendments

F35 Ss. 92-92E repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 277, **Sch. 3 Pt. 1** (with Sch. 2)

F36 95

Textual Amendments

F36 Ss. 92-94 substituted (28.7.2000 with effect as mentioned in 105(2)-(5) of the amending Act) for ss. 92-95 by [2000 c. 17](#), s. **105(1)**

[F37 96 Foreign companies: trading currency.

(1) In Schedule 24 to the Taxes Act 1988 (assumptions for calculating chargeable profits, creditable tax and corresponding United Kingdom tax of foreign companies) the following paragraph shall be inserted after paragraph 4—

*Changes to legislation: There are currently no known outstanding effects
 for the Finance Act 1993, Part II. (See end of Document for details)*

- “4A (1) Sub-paragraph (2) below applies where—
- (a) the company carries on a trade, and
 - (b) the currency used in the accounts of the company for an accounting period is a currency other than sterling.
- (2) It shall be assumed that by virtue of regulations under section 93 of the Finance Act 1993 (corporation tax: currency to be used) the basic profits or losses of the trade for the accounting period are to be computed and expressed for the purposes of corporation tax in the currency used in the accounts of the company for the period.
- (3) References in this paragraph to the accounts of a company—
- (a) are to the accounts which the company is required by the law of its home State to keep, or
 - (b) if the company is not required by the law of its home State to keep accounts, are to the accounts of the company which most closely correspond to the individual accounts which companies formed and registered under the ^{M10}Companies Act 1985 are required by that Act to keep;
- and for the purposes of this paragraph the home State of a company is the country or territory under whose law the company is incorporated.
- (4) The reference in sub-paragraph (2) above to the basic profits or losses of the trade for the accounting period shall be construed in accordance with section 93 of the Finance Act 1993.”
- (2) This section applies in relation to any accounting period beginning on or after the day appointed under section 165(7)(b) below.]

Textual Amendments

F37 S. 96 repealed (*retrospectively*) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII(18)**, Note

Marginal Citations

M10 1985 c. 6.

Overseas life insurance companies

F38⁹⁷ **Modification of Taxes Act 1988.**

.....

Textual Amendments

F38 S. 97 repealed (with effect in accordance with reg. 1 of the amending S.I.) by [The Overseas Life Insurance Companies Regulations 2006 \(S.I. 2006/3271\)](#), reg. 1, **Sch. Pt. 1**

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

F3998 Modification of section 440 of Taxes Act 1988.

.....

Textual Amendments

F39 S. 98 repealed (with effect in accordance with reg. 1 of the amending S.I.) by [The Overseas Life Insurance Companies Regulations 2006 \(S.I. 2006/3271\)](#), reg. 1, **Sch. Pt. 1**

F4099

Textual Amendments

F40 S. 99 repealed (1.5.1995 with effect in accordance with Sch. 8 para. 57 of the repealing Act) by [1995 c. 4, s. 162, Sch. 29 Pt. VIII\(5\)](#), Note 2

100 Income from investments attributable to BLAGAB, etc.

^{F41}(1)

(2) In section 475 of that Act (tax-free Treasury securities: exclusion of interest on borrowed money), in subsection (6)—

^{F41}(a)

(b) for the words “of the life assurance fund”, in each place where they occur, there shall be substituted the words “attributable to basic life assurance and general annuity business”.

(3) This section shall apply in relation to accounting periods beginning after 31st December 1992.

Textual Amendments

F41 S. 100(1)(2)(a) repealed (1.5.1995 with effect in accordance with Sch. 8 para. 57 of the repealing Act) by [1995 c. 4, s. 162, Sch. 29 Pt. VIII\(5\)](#), Note 2

F42101 Modification of Finance Act 1989.

.....

Textual Amendments

F42 S. 101 repealed (with effect in accordance with reg. 1 of the amending S.I.) by [The Overseas Life Insurance Companies Regulations 2006 \(S.I. 2006/3271\)](#), reg. 1, **Sch. Pt. 1**

F43102 Modification of Taxation of Chargeable Gains Act 1992.

.....

*Changes to legislation: There are currently no known outstanding effects
 for the Finance Act 1993, Part II. (See end of Document for details)*

Textual Amendments

F43 S. 102 repealed (with effect in accordance with reg. 1 of the amending S.I.) by [The Overseas Life Insurance Companies Regulations 2006 \(S.I. 2006/3271\)](#), reg. 1, **Sch. Pt. 1**

103 Amendment of definition and repeals.

^{F44}(1)

(2) The following provisions of that Act shall cease to have effect—

- (a) section 445 (charge to tax on investment income of overseas life insurance company);
- (b) section 446(1) (qualifying distributions part of profits of pension business of overseas life insurance company);
- (c) section 447(1), (2) and (4) (set-off of income tax and tax credits against corporation tax assessed under section 445);
- (d) section 448 (qualifying distributions and tax credits);
- (e) section 449 (double taxation agreements);
- (f) section 724(5) to (8) (special provisions of accrued income scheme for overseas life insurance companies);
- (g) section 811(2)(c) (provision about deduction of foreign tax not to affect overseas life insurance company charged under section 445);
- (h) paragraph 1(9) of Schedule 19AB (payments on account of tax credits in case of pension business: special provision for overseas life insurance companies).

^{F45}(3)

^{F46}(4)

Textual Amendments

F44 S. 103(1) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 247(e)**

F45 S. 103(3) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 247(e)**

F46 S. 103(4) repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Pt. IV of the repealing Act) by [1996 c. 8, s. 205](#), **Sch. 41 Pt. V(3)** Note

Approved share option schemes

104 Calculation of consideration.

After section 149 of the ^{M11}Taxation of Chargeable Gains Act 1992 there shall be inserted the following section—

“149A Approved share option schemes.

(1) This section applies where—

- (a) an option is granted on or after 16th March 1993,

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

- (b) the option consists of a right to acquire shares in a body corporate and is obtained as mentioned in section 185(1) of the Taxes Act (approved share option schemes), and
 - (c) section 17(1) would (apart from this section) apply for the purposes of calculating the consideration for the grant of the option.
- (2) The grantor of the option shall be treated for the purposes of this Act as if section 17(1) did not apply for the purposes of calculating the consideration and, accordingly, as if the amount or value of the consideration was its actual amount or value.
- (3) Where the option is granted wholly or partly in recognition of services or past services in any office or employment, the value of those services shall not be taken into account in calculating the actual amount or value of the consideration.
- (4) The preceding provisions of this section shall not affect the treatment for the purposes of this Act of the person to whom the option is granted.”

Marginal Citations

M11 1992 c. 12.

105 Expenditure on shares.

^{F47}(1)

^{F47}(2)

(3) In section 32A(5) of the ^{M12}Capital Gains Tax Act 1979 (expenditure: amounts to be included as consideration)—

(a) for the words “section 185(6)” there shall be substituted the words “ the applicable provision ”, and

(b) at the end there shall be inserted “; and in this subsection “the applicable provision” means—

(a) subsection (6) of section 185 of the Taxes Act (as that subsection had effect before the coming into force of section 39(5) of the ^{M13}Finance Act 1991), or

(b) subsection (6A) of that section.”

(4) The ^{M14}amendments made by subsection (3) above shall be deemed to have come into force on 1st January 1992 (but shall have effect subject to the repeals made by the Taxation of Chargeable Gains Act 1992).

Textual Amendments

F47 S. 105(1)(2) repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Commencement Information

II S. 105 in force at Royal Assent. the amendments made by s. 105(1) are deemed always to have had effect, see s. 105(2); the amendments made by S. 105(3) are deemed to have come into force on 1.1.1992, see s. 105(4)

Marginal Citations

M12 1979 c. 14.
M13 1991 c. 31.
M14 1992 c. 12.

Indexation: miscellaneous

^{F48}106 Earnings cap etc: no indexation in 1993-94.

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Textual Amendments

F48 S. 106 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3** (with [Sch. 36](#))

107 Indexation of allowances etc. for 1994-95 onwards.

(1) The Taxes Act 1988 shall be amended as mentioned in subsections (2) to (6) below.

^{F49}(2)

(3) In section 257C—

^{F50}(a)

(b) subsection (2) (no change required for PAYE before 18th May) shall be omitted.

^{F51}(4)

^{F51}(5)

^{F51}(6)

^{F51}(7)

(8) This section shall have effect for the year 1994-95 and subsequent years of assessment.

Textual Amendments

F49 S. 107(2) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), **Sch. 1 Pt. 10** Group 1

F50 S. 107(3)(a) omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), **Sch. 1 para. 6(e)**

F51 S. 107(4)-(7) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3** (with [Sch. 36](#))

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Miscellaneous provisions about reliefs

F52 108 Counselling services for employees.

.....

Textual Amendments

F52 S. 108 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

109 Pre-trading expenditure.

F53 (1)

F53 (2)

F54 (3)

F55 (4)

Textual Amendments

F53 S. 109(1)(2) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

F54 S. 109(3) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

F55 S. 109(4) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

F56 110 Waste disposal expenditure.

.....

Textual Amendments

F56 S. 110 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

F57 111 Business expansion scheme: loan linked investments.

.....

Textual Amendments

F57 S. 111 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F58 112 Employers' pension contributions.

.....

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

F58 S. 112 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3 (with Sch. 36)

Capital allowances

^{F59} **113**

Textual Amendments

F59 S. 113 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, Sch. 4

^{F60} **114**

Textual Amendments

F60 S. 114 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, Sch. 4

^{F61} **115**

Textual Amendments

F61 S. 115 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, Sch. 4

^{F62} **116**

Textual Amendments

F62 S. 116 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, Sch. 4

^{F63} **117 Transactions between connected persons etc.**

.....

Textual Amendments

F63 S. 117 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, Sch. 4

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Miscellaneous

F64 118 Scottish trusts.

.....

Textual Amendments

F64 S. 118 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), Sch. 1 para. 356, [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

119 Controlled foreign companies.

- (1) In section 750(1) of the Taxes Act 1988 (meaning of lower level of taxation for purposes of provisions relating to controlled foreign companies) for “one-half” there shall be substituted “ three-quarters ”.
- (2) Subsection (1) above shall apply in relation to accounting periods beginning on or after 16th March 1993.
- (3) Where a company is by virtue of section 749(1) or (2) of the Taxes Act 1988 regarded as resident in a territory outside the United Kingdom and (apart from this section)—
 - (a) an accounting period of the company would begin before 16th March 1993 and end on or after that date, and
 - (b) the company would not be considered to be subject, by virtue of section 750(1) of that Act, to a lower level of taxation in that accounting period in the territory in which it is regarded as resident,for the purposes of Chapter IV of Part XVII of that Act that accounting period shall be treated as ending on 15th March 1993.

120 Pay and file: miscellaneous amendments.

Schedule 14 to this Act (which makes various amendments of the ^{M15}Taxes Management Act 1970, the Taxes Act 1988 and the ^{M16}Finance Act 1989 with a view to, or in connection with, the introduction of “pay and file”) shall have effect.

Marginal Citations

M15 1970 c. 9.
M16 1989 c. 26.

F65 121

Textual Amendments

F65 S. 121 repealed (11.5.2001 with effect in accordance with s. 87 of the amending Act) by [2001 c. 9](#), s. 110, [Sch. 33 Pt. II\(12\)](#), note

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

122 Application of Income Tax Acts etc. to public departments.

- (1) In subsection (2) of section 829 of the Taxes Act 1988 (restriction on application of Income Tax Acts to public departments), at the end there shall be inserted “ unless it is tax which would not have been so borne but for a failure by a public office or department of the Crown to make a deduction required by virtue of subsection (1) above. ”
- (2) The provisions of Parts IX and X of the Taxes Management Act 1970 (interest and penalties) shall apply in relation to public offices and departments of the Crown for the purposes, so far as they so apply, of the other provisions of that Act and of the provisions of the Income Tax Acts mentioned in section 829(1) of the Taxes Act 1988.
- (3) This section shall have effect in relation to the year 1993-94 and subsequent years of assessment.

^{F66}123 Expenditure involving crime.

.....

Textual Amendments

- F66** S. 123 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

^{F67}124 Expenses of Members of Parliament.

.....

Textual Amendments

- F67** S. 124 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

CHAPTER II

EXCHANGE GAINS AND LOSSES

Modifications etc. (not altering text)

- C3** Pt. II Chapter II (ss. 125-170) modified (1.5.1995) by [1988 c. 1](#), [Sch. 24 para. 19\(2\)](#) (as inserted (1.5.1995) by [1995 c. 4](#), s. 133, [Sch. 25 paras. 1, 6\(5\)](#))
 Pt. II Chapter II (ss. 125-170) restricted (31.7.1998) by [1988 c. 1](#), [Sch. 28AA para. 8](#) (as inserted (31.7.1998) by [1998 c. 36](#), s. 108, [Sch. 16 para. 8\(1\)\(a\)](#))
 Pt. II Chapter II (ss. 125-170): power to amend conferred (3.5.1994) by [1994 c. 9](#), s. 177(6)(b)
 Pt. II Chapter II (ss. 125-170) excluded (3.5.1994) by [1994 c. 9](#), [ss. 226\(2\)](#), 230
 Pt. II Chapter II (ss. 125-170) modified (19.9.1994) by [1994 c. 21](#), s. 21, [Sch. 4 Pt. I para. 23\(2\)](#) (with s. 40(7)); S.I. 1994/2189, art. 2, [Sch.](#)
 Pt. II Chapter II (ss. 125-170) modified (23.3.1995) by S.I. 1994/3226, [reg. 3\(2\)](#)
 Pt. II Chapter II (ss. 125-170) applied (23.3.1995) by S.I. 1994/3231, [reg. 2\(1\)](#)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

- Pt. II Chapter II (ss. 125-170) modified (29.4.1996) by 1996 c. 8, s. 105, **Sch. 15 Pt. I para. 22(1)** (with ss. 80-105)
- C4** Pt. II Chapter II to be construed with 1994 c. 31, **Sch. 4 Pt. I para. 23** (19.9.1994) by 1994 c. 21, s. 21, **Sch. 4 Pt. I para. 23(5)**; S.I. 1994/2189, art. 2, **Sch.**

Accrual of gains and losses

F68 **125**

Textual Amendments

- F68** S. 125 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F69 **126**

Textual Amendments

- F69** S. 126 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F70 **127**

Textual Amendments

- F70** S. 127 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Trading gains and losses

F71 **128**

Textual Amendments

- F71** S. 128 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Non-trading gains and losses

F72 **129**

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

F72 S. 129 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F73 **130**

Textual Amendments

F73 S. 130 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Alternative calculation

F77 **134**

Textual Amendments

F77 S. 134 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b)(3), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Main benefit test

F78 **135**

Textual Amendments

F78 S. 135 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F79 **135A**

Textual Amendments

F79 S. 135A repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Changes to legislation: There are currently no known outstanding effects
for the Finance Act 1993, Part II. (See end of Document for details)

Arm's length test

F80 **136**

Textual Amendments

F80 S. 136 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(1)** Note 2 (with Sch. 23 paras. 25, 26)

F81 **136A**

Textual Amendments

F81 S. 136A repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F82 **137**

Textual Amendments

F82 S. 137 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F83 **138**

Textual Amendments

F83 S. 138 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Deferral of unrealised gains

F84 **139**

Textual Amendments

F84 S. 139 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F85 **140**

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

F85 S. 140 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F86 **141**

Textual Amendments

F86 S. 141 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F87 **142**

Textual Amendments

F87 S. 142 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F88 **143**

Textual Amendments

F88 S. 143 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Irrecoverable debts

F89 **144**

Textual Amendments

F89 S. 144 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F90 **145**

Textual Amendments

F90 S. 145 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Currency contracts: special cases

F⁹¹146

Textual Amendments

F91 S. 146 repealed (27.4.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F⁹²147

Textual Amendments

F92 S. 147 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Excess gains or losses

F⁹³148

Textual Amendments

F93 S. 148 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Local currency to be used

F⁹⁴149

Textual Amendments

F94 S. 149 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Exchange rate to be used

F⁹⁵150

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

F95 S. 150 repealed (with effect in relation to the accounting periods beginning on or after 1.10.2002) By 2002 c. 23, ss. 79(1)(b)(3), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26

^{F96} **151**

Textual Amendments

F96 S. 151 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Interpretation: companies

^{F97} **152**

Textual Amendments

F97 S. 152 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Interpretation: assets, liabilities and contracts

^{F98} **153**

Textual Amendments

F98 S. 153 repealed (1.10.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

^{F99} **154**

Textual Amendments

F99 By 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26) it is provided (1.10.2002) that s. 154 is repealed

^{F100} **155**

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

F100 By 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26) it is provided (1.10.2002) that s. 155 is repealed

F101 **156**

Textual Amendments

F101 By 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26) it is provided (1.10.2002) that s. 156 is repealed

F102 **157**

Textual Amendments

F102 S. 157 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Interpretation: other provisions

F103 **158**

Textual Amendments

F103 S. 158 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F104 **159**

Textual Amendments

F104 S. 159 repealed (with effect as mentioned in s. 79(3) of the amending Act) By 2002 c. 23, ss. 79(1)(b) (3), 141, **Sch. 40 Pt. 3(10)**, Note 2 (with Sch. 23, para. 25)

F105 **160**

Textual Amendments

F105 S. 160 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

F106 **161**

Textual Amendments
F106 S. 161 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F107 **162**

Textual Amendments
F107 S. 162 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F108 **163**

Textual Amendments
F108 S. 163 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F109 **164**

Textual Amendments
F109 S. 164 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

Miscellaneous

F110 **165**

Textual Amendments
F110 S. 165 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F111 **166**

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

F111 S. 166 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F112 **167**

Textual Amendments

F112 S. 167 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F113 **168**

Textual Amendments

F113 S. 168 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F114 **168A**

Textual Amendments

F114 S. 168A repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

F115 **169**

Textual Amendments

F115 S. 169 repealed (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by 2002 c. 23, ss. 79(1)(b), 141, **Sch. 40 Pt. 3(10)** Note 2 (with Sch. 23 paras. 25, 26)

170 Amendments.

Schedule 18 to this Act (which contains amendments) shall have effect.

*Changes to legislation: There are currently no known outstanding effects
 for the Finance Act 1993, Part II. (See end of Document for details)*

CHAPTER III

LLOYD'S UNDERWRITERS ETC.

Modifications etc. (not altering text)

- C9** Pt. II Chapter III applied (1.5.1995 with application as mentioned in s. 127(19) of the amending Act) by 1995 c. 4, s. 127(16)(a)(19)
- C10** Pt. II Chapter III modified (1.12.1997 with effect with respect to accounting periods of Lloyd's Scottish limited partnerships ending on or after that date) by S.I. 1997/2681, reg. 3(1)(a)

Main provisions

171 Taxation of profits and allowance of losses.

- (1) Income tax for any year of assessment on the profits arising from a member's underwriting business shall be computed on the profits of that year of assessment.
- (2) As respects the profits arising to a member from his underwriting business for any year of assessment—
- [^{F116}(a) the aggregate of those profits shall be chargeable to tax under Chapter 2 of Part 2 of the Income Tax (Trading and Other Income) Act 2005 as the profits of a trade carried on in the United Kingdom; and
- (b) accordingly, no part of those profits shall be treated as relevant foreign income, or be charged to tax under any other Part of that Act or any Part of the Income Tax (Earnings and Pensions) Act 2003;]

but nothing in this subsection shall affect the manner in which the amount of any profits arising from assets forming part of an ancillary trust fund is to be computed.

^{F117}(2A)

^{F118}(2B)

^{F119}(3)

- (4) Subsection (2) above does not apply in relation to any profits arising before 6th April 1993 from assets forming part of an ancillary trust fund.

Textual Amendments

- F116** S. 171(2)(a)(b) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 464\(2\)](#) (with Sch. 2)
- F117** S. 171(2A) repealed (31.7.1997 with effect in accordance with s. 36 and Sch. 6 para. 20(3) of the amending Act) by 1997 c. 58, ss. 36, 52, Sch. 6 para. 20(2)(3), [Sch. 8 Pt. II\(11\)](#) Note
- F118** S. 171(2B) omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\), Sch. 1 para. 55](#)
- F119** S. 171(3) repealed (3.5.1994 with effect for the year 1996-97 and subsequent years of assessment) by 1994 c. 9, ss. 228, 258, Sch. 21 para. 1(2)(3)(b), [Sch. 26 Pt. V\(25\)](#) Note 2

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Modifications etc. (not altering text)

- C11** S. 171 modified (9.3.1995 with effect in relation to profits or losses of a member's underwriting business arising in the underwriting year 1994 or 1995) by [S.I. 1995/352](#), [reg. 13](#)

172 Year of assessment in which profits or losses arise.

- (1) Subject to the provisions of this Chapter, for the purposes of section 171 above and all other purposes of the Income Tax Acts the profits or losses in any year of assessment of a member's underwriting business shall be taken to be—
- ^{F120}(a) in the case of profits or losses arising directly from his membership of one or more syndicates, those of any previous year or years which are declared in the corresponding underwriting year;
 - (b) in the case of profits or losses arising from assets forming part of a ^{F121}premium] trust fund, those allocated under the rules or practice of Lloyd's to any previous year or years the profits or losses of which are declared in the corresponding underwriting year; and]
 - (c) in the case of other profits or losses, those derived from payments received or made in the corresponding underwriting year.
- (2) Subsection (1)(c) above does not apply in relation to payments received or made before 6th April 1993.

Textual Amendments

- F120** S. 172(1)(a)(b) substituted (3.5.1994 with effect as mentioned in [Sch. 21 para. 2\(2\)](#) of the amending Act) by [1994 c. 9, s. 228](#), [Sch. 21 para. 2\(1\)\(2\)](#)
- F121** Word in [s. 172\(1\)\(b\)](#) substituted (1.12.2001) by [S.I. 2001/3629](#), [arts. 1\(2\)](#), [82\(b\)](#)

Modifications etc. (not altering text)

- C12** S. 172 modified (1.12.1997 with effect with respect to accounting periods of Lloyd's Scottish limited partnerships ending on or after that date) by [S.I. 1997/2681](#), [reg. 6\(1\)\(b\)](#)

^{F122}**173 Assessment and collection of tax.**

Textual Amendments

- F122** S. 173 repealed (20.7.2005 for specified purposes, 6.4.2006 in so far as not already in force) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 45\(1\)\(8\)\(9\)](#), [Sch. 11 Pt. 2\(11\)](#); [S.I. 2005/3337](#), [art. 3](#)

Members' trust funds

174 ^{F123}**Premium] trust funds.**

- ^{F124}(1) For the purposes of the Income Tax Acts and the Gains Tax Acts—
- (a) a member shall be treated as absolutely entitled as against the trustees to the assets forming part of a ^{F125}premium] trust fund of his; and

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- (b) where a deposit required by a regulatory authority in a country or territory outside the United Kingdom is paid out of such a fund, the money so paid shall be treated as still forming part of that fund.]
- (2) Where an asset forms part of a [^{F125}premium] trust fund at the beginning of any underwriting year, for the purposes of the Income Tax Acts—
- (a) the trustees of the fund shall be treated as acquiring it on that day, and
- (b) they shall be treated as paying in respect of the acquisition an amount equal to the value of the asset at the time of the acquisition.
- (3) Where an asset forms part of a [^{F125}premium] trust fund at the end of any underwriting year, for the purposes of the Income Tax Acts—
- (a) the trustees of the fund shall be treated as disposing of it on that day, and
- (b) they shall be treated as obtaining in respect of the disposal an amount equal to the value of the asset at the time of the disposal.
- ^{F126}(4)
- ^{F126}(5)
- (6) Subsections (2) to (5) above do not apply to FOTRA securities forming part of a member’s premiums trust fund at the beginning or end of any underwriting year if—
- (a) the member is not domiciled in the United Kingdom at any time in the year, and
- (b) he is either not ordinarily resident in the United Kingdom during the year or a non-resident United Kingdom trader in the year.
- (7) In this section—
- “FOTRA securities” has the same meaning as in section 715 of the Taxes Act 1988 (exceptions from accrued income scheme);
- “non-resident United Kingdom trader” shall be construed in accordance with subsection (5) of that section;
- “underwriting year” does not include the year 1993 or any earlier underwriting year.

Textual Amendments

- F123** S. 174: words in sidenote substituted (1.12.2001) by S.I. 2001/3629, **arts. 1(2)**, 82(c)
- F124** S. 174(1) substituted (3.5.1994 with effect for the year 1994-95 and subsequent years of assessment) by 1994 c. 9, s. 228, **Sch. 21 para. 3**
- F125** Word in s. 174(1)(a)(2)(3) substituted (1.12.2001) by S.I. 2001/3629, **arts. 1(2)**, 82(c)
- F126** S. 174(4)(5) repealed (19.3.1997 with effect in relation to, and to transfers under, any arrangement made on or after such day as may be appointed by order) by 1997 c. 16, ss. 76, 113, **Sch. 10 Pt. I paras. 6(a)**, 7(1), **Sch. 18 Pt. VI(10)** Note 1

175 Special reserve funds.

- (1) If arrangements are made by the Council of Lloyd’s which—
- (a) enable such a special reserve fund as is referred to in Part I of Schedule 20 to this Act to be set up in relation to each member; and
- (b) comply with the requirements of that Part and are approved by the Board,

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the provisions of that Part relating to taxation shall have effect in relation to any special reserve fund of a member set up under the arrangements.

- (2) The arrangements may from time to time be varied with the consent of the Board.
- (3) If, after giving notice of their intention to do so to the Council of Lloyd’s, the Board cancel the approval which they have given with respect to the arrangements, paragraph 3 of Schedule 20 to this Act shall not apply, in the case of any member, to any year of assessment after the year of assessment in which the approval is cancelled.
- (4) The provisions of Part II of Schedule 20 to this Act shall have effect as respects the winding up of any special reserve fund which—
 - (a) was set up under the arrangements mentioned in section 452(1) of the Taxes Act 1988; and
 - (b) belongs to a member for whom a special reserve fund may be set up under the arrangements mentioned in subsection (1) above.

Modifications etc. (not altering text)

- C13** S. 175 excluded (1.12.1997 with effect with respect to accounting periods of Lloyd's Scottish limited partnerships ending on or after that date) by S.I. 1997/2681, reg. 7
- C14** S. 175(4) applied (with modifications) (9.3.1995 with application as mentioned in reg. 1 of the amending S.I.) by S.I. 1995/351, regs. 1, 15(1)

176 Ancillary trust funds.

- (1) A member shall be treated for the purposes of the Income Tax Acts and the Gains Tax Acts as absolutely entitled as against the trustees to the assets forming part of an ancillary trust fund of his.
- (2) The cost of acquisition and the consideration for the disposal of assets forming part of an ancillary trust fund—
 - (a) shall be left out of account in computing for the purposes of income tax the profits or losses of the member’s underwriting business; and
 - (b) accordingly, shall not be excluded for the purposes of capital gains tax under section 37 or 39 of the Gains Tax Act.
- (3) None of the following provisions (which apply where an individual entitled to securities dies), namely—
 - ^{F127}(a) section 636 of ITA 2007 (exception where there is a transfer to a legatee);]
 - ^{F128}(b)
 - ^{F128}(c)
 - ^{F128}(d)shall apply where the individual concerned is a member and the security concerned forms part of an ancillary trust fund of his.
- (4) In a case where subsection (3)(a) above applies, the deceased’s personal representatives shall be treated for the purposes of [^{F129}Part 12 of ITA 2007 and section] 728 of the Taxes Act 1988 as the transferor or transferee in relation to transfers of securities as to which the deceased was the transferor or transferee (as the case may be) in the interest period in which he died.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

Textual Amendments

- F127** S. 176(3)(a) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 357\(2\)](#) (with [Sch. 2](#))
- F128** S. 176(3)(b)-(d) repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Pt. IV of the amending Act) by [1996 c. 8](#), s. 205, [Sch. 41 Pt. V\(3\)](#)
- F129** Words in s. 176(4) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 357\(3\)](#) (with [Sch. 2](#))

Modifications etc. (not altering text)

- C15** S. 176 modified (1.12.1997 with effect with respect to accounting periods of Lloyd's Scottish limited partnerships ending on or after that date) by [S.I. 1997/2681](#), [reg. 5\(1\)](#)

Other special cases

^{F130}**177**

Textual Amendments

- F130** S. 177 repealed (28.7.2000 with effect as mentioned in s. 107(12)(c) of the amending Act) by [2000 c. 17](#), ss. 107(11), 156, [Sch. 40 Pt. II\(16\)](#), note 2

178 Stop-loss and quota share insurance.

- (1) In computing for the purposes of income tax the profits of a member's underwriting business, each of the following shall be deductible as an expense, namely—
- (a) any premium payable by him under a stop-loss insurance, and any repayment of insurance money paid to him under such an insurance;
 - (b) any amount payable by him into the High Level Stop Loss Fund, and any repayment of an amount paid to him out of that Fund; and
 - ^{F131}(c) where an amount is payable by him under a quota share contract—
 - (i) so much of that amount as exceeds the amount of transferred losses that are declared on or before the date the contract takes effect (“the declared amount”), or
 - (ii) if the contract does not take effect, the amount so payable under the contract.]
- (2) Subject to subsection (3) below, each of the following, namely—
- (a) any insurance money payable to [^{F132}a member] under a stop-loss insurance in respect of a loss in his underwriting business; and
 - (b) any amount payable to a member out of the High Level Stop Loss Fund in respect of such a loss,
- shall be treated as a trading receipt in computing the profits arising from that business for the year of assessment which corresponds to the underwriting year in which the loss [^{F133}was declared].
- (3) Where, as respects the payment of any such insurance money or amount as is mentioned in subsection (2) above—

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

- (a) the inspector is not notified of the payment at least 30 days before the time after which any assessment or further assessment of profits for the year of assessment is precluded by section 34 of the Management Act (ordinary time limit of [^{F134} years]), and
- (b) the inspector is not entitled, after that time, to make any such assessment or further assessment by virtue of section 36 ([^{F135} loss of tax brought about carelessly or deliberately]) or 40(2) (assessment on personal representatives) of that Act,

that subsection shall have effect in relation to that insurance money or amount as if it referred instead to the year of assessment which corresponds to the underwriting year in which the payment is made.

[^{F136}(3A) Where the amount payable by a member under a quota share contract is less than the declared amount, the difference between the two amounts shall be treated as a trading receipt in computing the profits arising from the member’s underwriting business in the year of assessment which corresponds to the underwriting year in which the contract takes effect.

(3B) Where a member has entered a quota share contract, any amount paid by him to cover a cash call in respect of transferred losses that are not declared at the time the contract takes effect shall be treated—

- (a) for the purposes of subsection (1)(c)(i) and (3A) above, as an amount payable under the contract, and
- (b) for the purposes of section 172, as a payment made at the time the contract takes effect.]

[^{F137}(4) For the purposes of this section—

“cash call” has the same meaning as in Part 1 of Schedule 20 to this Act;

“quota share contract” means any contract between a member and another person which—

- (a) is made in accordance with the rules or practice of Lloyd’s, and
- (b) provides for that other person to take over any rights and liabilities of the member under any of the syndicates of which he is a member;

and where the taking over of a member’s rights and liabilities is conditional upon the occurrence of any event, the contract does not take effect until that event occurs; and

“transferred loss”, in relation to such a contract, means a loss for which that other person takes over liability under the contract (disregarding, in the case of a loss that has been declared at the time it is taken over, any part of it in respect of which the member has paid a cash call before that time).]

Textual Amendments

F131 S. 178(1)(c) substituted (24.7.2002 with effect as mentioned in s. 86(2) of the amending Act) by 2002 c. 23, s. 86, **Sch. 32 para. 2**

F132 Words in s. 178(2) substituted (3.5.1994 with effect as respects insurance money and other amounts payable in respect of losses declared in the underwriting year 1997 or subsequent underwriting years) by 1994 c. 9, s. 228, **Sch. 21 para. 5(1)(a)(2)**

F133 Words in s. 178(2) substituted (3.5.1994 with effect as respects insurance money and other amounts payable in respect of losses declared in the underwriting year 1997 or subsequent underwriting years) by 1994 c. 9, s. 228, **Sch. 21 para. 5(1)(b)(2)**

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

- F134** Words in s. 178(3)(a) substituted (1.4.2010) by [Finance Act 2008 \(c. 9\), s. 118\(2\), Sch. 39 para. 63\(a\)](#); [S.I. 2009/403, art. 2\(2\)](#) (with art. 10)
- F135** Words in s. 178(3)(b) substituted (1.4.2010) by [Finance Act 2008 \(c. 9\), s. 118\(2\), Sch. 39 para. 63\(b\)](#); [S.I. 2009/403, art. 2\(2\)](#) (with art. 10)
- F136** S. 178 (3A)(3B) inserted (24.7.2002 with effect as mentioned in [s. 86\(2\)](#) of the amending Act) by [2002 c. 23, s. 86, Sch. 32 para. 2](#)
- F137** S. 178(4) substituted (24.7.2002 with effect as mentioned in [s. 86\(2\)](#) of the amending Act) by [2002 c. 23, s. 86, Sch. 32 para. 4](#)

Modifications etc. (not altering text)

- C16** S. 178(3) excluded (9.3.1995 with effect as mentioned in reg. 1 of the amending S.I.) by [S.I. 1995/351, regs. 1, 5\(1\)\(c\)](#)

Miscellaneous

179 Cessation: final year of assessment.

- (1) Subject to subsection (5) below, this section applies where a member ceases to carry on his underwriting business, whether by reason of death or otherwise.
- (2) Subject ^{F138} . . . to the provisions of any regulations made by the Board, the member's final year of assessment shall be that which corresponds to the underwriting year in which his deposit at Lloyd's is paid over to him or his personal representatives or assigns.
- ^{F139}(3)
- (4) For the purposes of section 171 above and all other purposes of the Income Tax Acts, any profits or losses arising to the member from his underwriting business which are not taken (by virtue of the provisions of this Chapter) to be profits or losses of an earlier year of assessment shall be taken to be profits or losses of his final year of assessment.
- (5) This section does not apply in any case where the member's deposit at Lloyd's is paid over to him or his personal representatives or assigns before 1st January 1993.

Textual Amendments

- F138** Words in s. 179(2) repealed (3.5.1994 with effect in any case where the member dies after the end of 1993-94) by [1994 c. 9, ss. 228, 258, Sch. 21 para. 6\(1\)\(3\), Sch. 26 Pt. V\(25\)](#) Note 3
- F139** S. 179(3) repealed (3.5.1994 with effect in any case where the member dies after the end of 1993-94) by [1994 c. 9, ss. 228, 258, Sch. 21 para. 6\(1\)\(3\), Sch. 26 Pt. V\(25\)](#) Note 3

Modifications etc. (not altering text)

- C17** Ss. 179, 179A excluded (9.3.1995 with application as mentioned in reg. 1 of the amending S.I.) by [S.I. 1995/351, regs. 1, 14\(2\)](#)
- SS. 179, 179A excluded (1.12.1997 with effect with respect to accounting periods of Lloyd's Scottish limited partnerships ending on or after that date) by [S.I. 1997/2681, reg. 4\(1\)](#)

[^{F140}179A] Death of member.

- (1) This section applies where a member ceases to carry on his underwriting business by reason of death.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

- (2) For the purposes of assessing the profits of the member's underwriting business, the member shall be treated as having died at the end of the year of assessment which corresponds to the underwriting year immediately preceding that in which he actually died.
- (3) For the purposes of the Income Tax Acts—
- (a) the carrying on of the member's underwriting business by his personal representatives shall not be treated as a change in the persons engaged in the carrying on of that business; and
 - (b) subject to the provisions of any regulations made by the Board, the business shall be treated as continuing until the member's deposit at Lloyd's is paid over to his personal representatives.]

Textual Amendments

F140 S. 179A inserted (3.5.1994 with effect in any case where the member dies after the end of the year 1993-94) by 1994 c. 9, s. 228, **Sch. 21 para. 6(2)(3)**

Modifications etc. (not altering text)

C18 Ss. 179, 179A excluded (9.3.1995 with application as mentioned in reg. 1 of the amending S.I.) by S.I. 1995/351, **regs. 1, 14(2)**

Ss. 179, 179A excluded (1.12.1997 with effect with respect to accounting periods of Lloyd's Scottish limited partnerships ending on or after that date) by S.I. 1997/2681, **reg. 4(1)**

[^{F141}179B Conversion to [^{F142}underwriting through partnership or company]

Schedule 20A to this Act (which makes provision for certain reliefs to be available where a member converts to limited liability underwriting [^{F143} or a Lloyd's partnership converts to underwriting through a company]) shall have effect.]

Textual Amendments

F141 S. 179B inserted (22.7.2004) by Finance Act 2004 (c. 12), **Sch. 25 para. 2**

F142 Words in s. 179B heading substituted (19.12.2014) by The Lloyd's Underwriters (Conversion of Partnerships to Underwriting through Successor Companies) (Tax) Regulations 2014 (S.I. 2014/3133), **regs. 1, 3(b)**

F143 Words in s. 179B inserted (19.12.2014) by The Lloyd's Underwriters (Conversion of Partnerships to Underwriting through Successor Companies) (Tax) Regulations 2014 (S.I. 2014/3133), **regs. 1, 3(a)**

180 Underwriting profits to be [^{F144}relevant UK earnings etc].

- (1) In relation to any member, all profits arising to him from his underwriting business—
- (a) shall be treated for the purposes of the Income Tax Acts as immediately derived from the carrying on by him of that business, and
 - [^{F145}(b) accordingly, shall constitute—
 - (i) for the purposes of Part 4 of the Finance Act 2004, relevant UK earnings within section 189(2)(b) of that Act, and
 - (ii) income in relation to which the treatment in section 836(2) of ITA 2007 does not apply.]

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

(2) This section does not apply in relation to profits of the year 1992-93 or earlier years of assessment.

Textual Amendments

F144 Words in s. 180 heading substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 358(3)** (with [Sch. 2](#))

F145 S. 180(1)(b) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 358(2)** (with [Sch. 2](#))

Modifications etc. (not altering text)

C19 S. 180 excluded (1.12.1997 with effect with respect to accounting periods of Lloyd’s Scottish limited partnerships ending on or after that date) by [S.I. 1997/2681](#), **reg. 8**

181 Lloyd’s underwriting agents.

In section 43 of the ^{M17}Finance Act 1989 (Schedule D: computation), subsections (6) and (7) (which extend certain time limits for persons permitted by the Council of Lloyd’s to act as underwriting agents at Lloyd’s) shall cease to have effect in relation to periods of account ending on or after 30th June 1993.

Marginal Citations

M17 [1989 c. 26.](#)

Supplemental

182 Regulations.

- (1) The Board may by regulations provide—
- (a) for the assessment and collection of tax charged in accordance with section 171 above ^{F146} . . . ;
 - (b) for making, in the event of any changes in the rules or practice of Lloyd’s, such amendments of this Chapter as appear to the Board to be expedient having regard to those changes;
 - (c) for modifying the application of this Chapter in cases where a syndicate continues after the end of its closing year or a member dies or otherwise ceases to carry on his underwriting business;
- ^{F147}(ca)
- (d) for giving credit for foreign tax.

^{F148}(2)

^{F148}(3)

^{F148}(4)

- (5) Regulations made, or deemed to have been made, under any of the following enactments (regulations about Lloyd’s underwriters), namely—
- (a) section 451(1) or (1A) of the Taxes Act 1988,

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

- (b) section 92(5) of the ^{M18}Finance Act 1989, or
- (c) section 209(4) of the Gains Tax Act,

which were in force immediately before 6th April 1992 shall continue in force for the year 1992-93 and subsequent years of assessment notwithstanding the repeal of that enactment by this Act, and shall be deemed to have been made under this section.

- [^{F149}(6) Any power to make regulations conferred by this section includes power to make—
- (a) different provision for different cases or different purposes, and
 - (b) incidental, supplemental or transitional provision and savings.]

Textual Amendments

F146 Words in s. 182(1)(a) repealed (20.7.2005 for specified purposes, 6.4.2006 in so far as not already in force) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 45\(2\)\(8\)\(9\)](#), Sch. 11 Pt. 2(11); [S.I. 2005/3337, art. 3](#)

F147 S. 182(1)(ca) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\), s. 3\(2\)](#), [Sch. 1 Pt. 10](#) Group 1

F148 S. 182(2)-(4) repealed (3.5.1994 with effect for the year 1997-98 and subsequent years of assessment) by [1994 c. 9, ss. 228, 258, Sch. 21 para. 7](#), [Sch. 26 Pt. V\(25\)](#) Note 4

F149 S. 182(6) inserted (20.7.2005 for specified purposes, 6.4.2006 in so far as not already in force) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 45\(3\)\(8\)\(9\)](#); [S.I. 2005/3337, art. 3](#)

Marginal Citations

M18 [1989 c. 26](#).

183 Consequential amendments.

^{F150}(1)

^{F151}(2)

^{F152}(3)

^{F153}(4) In section 710(14) of that Act (meaning of “business” and “premiums trust fund”), for the words “section 457” there shall be substituted the words “ section 184 of the Finance Act 1993 ”.

(5) In the following provisions (which relate to nominees, trustees etc.), namely—
Section 720(3) of the Taxes Act 1988,
paragraph 18(1) of Schedule 4 to that Act,
paragraph 10(1) of Schedule 11 to the Finance Act 1989, and
paragraph 18(1) of Schedule 10 to the ^{M19}Finance Act 1990,
the words from “his special reserve fund” to the end shall be omitted.

(6) In the following provisions (which relate to the death of a member), namely—
section 721(5) of the Taxes Act 1988,
paragraph 18(8) of Schedule 4 to that Act,
paragraph 10(6) of Schedule 11 to the Finance Act 1989, and
paragraph 18(6) of Schedule 10 to the ^{M20}Finance Act 1990,
the words from “a special reserve fund” to the end shall be omitted.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

- (7) In section 206(2) of the Gains Tax Act (Lloyd’s underwriters), after the words “subsection (1) above” there shall be inserted the words “ and section 174(1) of the Finance Act 1993 ”.
- (8) In section 209 of that Act (interpretation, regulations about underwriters etc.)—
- (a) in subsection (1), for the words “sections 450 to 456 of the Taxes Act” there shall be substituted the words “ Chapter III of Part II of the Finance Act 1993 ” and for the words “sections 450 to 456”, in the second place where they occur, there shall be substituted the words “ that Chapter ”; and
 - (b) in subsection (6), the words “or (4)” shall be omitted.

Textual Amendments

- F150** S. 183(1) repealed (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))
- F151** S. 183(2) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F152** S. 183(3) repealed (3.5.1994 with effect for the year 1997-98 and subsequent years of assessment) by [1994 c. 9](#), ss. 228(2)(c)(4), 230, 258, [Sch. 26 Pt. V\(25\)](#) Note 1
- F153** S. 183(4)-(8) repealed (the repeals of subsections (4)-(6) having effect for the year 1994 and subsequent underwriting years and the repeals of subsections (7)-(8) having effect for the year of assessment 1994-95 and subsequent years of assessment) by [1993 c. 34](#), s. 213, [Sch. 23 Pt. III\(12\)](#) Notes 2, 4.

Marginal Citations

- M19** [1990 c. 29](#).
- M20** [1990 c. 29](#).

184 Interpretation and commencement.

- (1) In this Chapter, unless the context otherwise requires—
- “ancillary trust fund”, in relation to a member, does not include a ^{F154}premium] trust fund of his or his special reserve fund (if any) but, subject to that, means any trust fund required or authorised by the rules of Lloyd’s, or required by a members’ agent of his ^{F155}. . . ;
- “closing year”—
- (a) in relation to a year of assessment, means the year of assessment next but one following that year;
 - (b) in relation to an underwriting year, means the underwriting year next but one following that year; and
 - (c) in relation to a syndicate, means the closing year of the underwriting year for which it was formed;
- “the Gains Tax Act” means the ^{M21}Taxation of Chargeable Gains Act 1992 and
- “the Gains Tax Acts” means that Act and any other enactments relating to capital gains tax;
- “the High Level Stop Loss Fund” means the fund of that name which, under the rules of Lloyd’s, has been established for the year 1993 and subsequent underwriting years;
- “inspector” includes any officer of the Board;

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

[^{F156}“Lloyd’s partnership” means—

- (a) a limited partnership formed under the law of Scotland which is a member of Lloyd’s and is or has been an underwriting member, or
- (b) a limited liability partnership formed under the law of any part of the United Kingdom which is a member of Lloyd’s and is or has been an underwriting member;]

“the Management Act” means the ^{M22}Taxes Management Act 1970;

“managing agent”, in relation to a syndicate and a year of assessment, means—

- (a) the person registered as a managing agent at Lloyd’s who was acting as such an agent for the syndicate at the end of the corresponding underwriting year, or
- (b) such other person as may be determined in accordance with regulations made by the Board;

“member” [^{F157}(except in Part 1A of Schedule 20A)] means [^{F158}an individual who is a member of Lloyd’s and] is or has been an underwriting member;

“members’ agent”, in relation to a member of a syndicate and a year of assessment, means—

- (a) the person registered as a members’ agent at Lloyd’s who was acting as such an agent for the member at the end of the corresponding underwriting year, or
- (b) if two or more such persons were so acting and one of them was appointed by the member to be responsible for complying with the requirements of [^{F159}the Lloyd’s Underwriters (Tax) Regulations 2005] in relation to all of the syndicates of which he is a member, that person, or
- (c) if two or more such persons were so acting and none of them was so appointed, the person who was so acting for the member in his capacity as a member of the syndicate, or
- (d) such other person as may be determined in accordance with regulations made by the Board;

[^{F160}“premium trust fund” means a trust fund into which premiums receivable by members are paid in compliance with a trust deed under [^{F161}Rule 8.2.19 of the][^{F162}Prudential Sourcebook for Insurers made by the Prudential Regulation Authority] under the Financial Services and Markets Act 2000;]

“prescribed” means prescribed by regulations made by the Board;

“profits” includes gains;

“special reserve fund”, unless the contrary intention appears, means a special reserve fund set up under the arrangements mentioned in section 175(1) above;

“stop-loss insurance” means any insurance taken out by a member against losses in his underwriting business [^{F163}, except insurance taken out by entering a quota share contract (within the meaning of section 178 above)];

“syndicate” means a syndicate of underwriting members of Lloyd’s formed for an underwriting year;

“underwriting business”, in relation to a member, means his underwriting business as a member of Lloyd’s, whether carried on personally or through an underwriting agent, and does not include any other business carried on by him, and in particular, where he is himself an underwriting agent, does not include his business as such an agent;

“underwriting year” means the calendar year.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)

- (2) For the purposes of this Chapter—
- (a) an underwriting year and a year of assessment shall be deemed to correspond to each other if the underwriting year ends in the year of assessment;
 - (b) the profits or losses of a member's underwriting business include profits or losses arising to him from assets forming part of a [^{F164}premium] trust fund or an ancillary trust fund; and
 - (c) any charge made on a member by the [^{F165}managing agent] of a syndicate of which he is a member, and any expense incurred on his behalf by the [^{F165}managing agent] of such a syndicate, shall be treated as expenses arising directly from his membership of that syndicate.
- (3) Subject to any provision to the contrary, the provisions of this Chapter have effect for the year 1992-93 and subsequent years of assessment.

Textual Amendments

- F154** S. 184(1): word in the definition of “ancillary trust fund” substituted (1.12.2001) by [S.I. 2001/3629, arts. 1\(2\), 82\(e\)](#)
- F155** Words in definition in s. 184(1) repealed (3.5.1994 with effect for the year 1994-95 and subsequent years of assessment) by [1994 c. 9, ss. 228, 258, Sch. 21 para. 8\(1\)\(a\), Sch. 26 Pt. V\(25\)](#) Note 6
- F156** Words in s. 184(1) inserted (19.12.2014) by [The Lloyd's Underwriters \(Conversion of Partnerships to Underwriting through Successor Companies\) \(Tax\) Regulations 2014 \(S.I. 2014/3133\), regs. 1, 4\(a\)](#)
- F157** Words in s. 184(1) inserted (19.12.2014) by [The Lloyd's Underwriters \(Conversion of Partnerships to Underwriting through Successor Companies\) \(Tax\) Regulations 2014 \(S.I. 2014/3133\), regs. 1, 4\(b\)](#)
- F158** Words in definition in s. 184(1) substituted (3.5.1994 with effect for the year 1994-95 and subsequent years of assessment) by [1994 c. 9, s. 228, Sch. 21 para. 8\(1\)\(b\)](#)
- F159** Words in s. 184(1) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Lloyds Underwriters \(Tax\) Regulations 2005 \(S.I. 2005/3338\), regs. 1\(1\), 16](#)
- F160** S. 184(1): definition of “premium trust fund” substituted (1.12.2001) by [S.I. 2001/3629, arts. 1\(2\), 79](#)
- F161** Words in s. 184(1) substituted (31.12.2006) by [The Lloyds Sourcebook \(Finance Act 1993 and Finance Act 1994\) \(Amendment\) Order 2006 \(S.I. 2006/3273\), arts. 1, 2](#)
- F162** Words in s. 184(1) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments\) Order 2013 \(S.I. 2013/636\), art. 1\(2\), Sch. para. 3](#)
- F163** S. 184(1): words in definition of “stop-loss insurance” inserted (24.7.2002 with effect as mentioned in [s. 86\(2\)](#) of the amending Act) by [2002 c. 23, s. 86, Sch. 32 para. 5](#)
- F164** Word in s. 184(2)(b) substituted (1.12.2001) by [S.I. 2001/3629, arts. 1\(2\), 82\(e\)](#)
- F165** Words in s. 184(2)(c) substituted (3.5.1994 with effect for the year 1994-95 and subsequent years of assessment) by [1994 c. 9, s. 228, Sch. 21 para. 8\(2\)](#)

Modifications etc. (not altering text)

- C20** S. 184 applied (1.5.1995 with application as mentioned in [s. 127\(19\)](#) of the amending Act) by [1995 c. 4, s. 127\(16\)\(b\)\(19\)](#)

Marginal Citations

- M21** [1992 c. 12.](#)
M22 [1970 c. 9.](#)

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1993, Part II.