



Finance Act 1994

1994 CHAPTER 9

PART III

INSURANCE PREMIUM TAX

Administration

53 Registration of insurers.

- (1) A person who—
- (a) receives, as insurer, premiums in the course of a taxable business, and
 - (b) is not registered,
- is liable to be registered.

[^{F1}(1A) The register kept under this section may contain such information as the Commissioners think is required for the purposes of the care and management of the tax.]

- (2) A person who—
- (a) at any time forms the intention of receiving, as insurer, premiums in the course of a taxable business, and
 - (b) is not already receiving, as insurer, premiums in the course of another taxable business,
- shall notify the Commissioners of those facts.

- (3) A person who at any time—
- (a) ceases to have the intention of receiving, as insurer, premiums in the course of a taxable business, and
 - (b) has no intention of receiving, as insurer, premiums in the course of another taxable business,
- shall notify the Commissioners of those facts.

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(4) Where a person is liable to be registered by virtue of subsection (1) above the Commissioners shall register him with effect from the time when he begins to receive premiums in the course of the business concerned; and it is immaterial whether or not he notifies the Commissioners under subsection (2) above.

(5) Where a person—

- (a) notifies the Commissioners under subsection (3) above, [^{F2}and]
- (b) satisfies them of the facts there mentioned, ^{F3} . . .
- ^{F3}(c)

the Commissioners shall cancel his registration with effect from the earliest practicable time after he ceases to receive, as insurer, premiums in the course of any taxable business.

[^{F4}(5A) In a case where—

- (a) the Commissioners are satisfied that a person has ceased to receive, as insurer, premiums in the course of any taxable business, but
- (b) he has not notified them under subsection (3) above,

they may cancel his registration with effect from the earliest practicable time after he so ceased.]

(6) For the purposes of this section regulations may make provision—

- (a) as to the time within which a notification is to be made;
- (b) as to the circumstances in which premiums are to be taken to be received in the course of a taxable business;
- (c) as to the form and manner in which any notification is to be made and as to the information to be contained in or provided with it;
- (d) requiring a person who has made a notification to notify the Commissioners if any information contained in or provided in connection with it is or becomes inaccurate;
- (e) as to the correction of entries in the register.

(7) References in this section to receiving premiums are to receiving premiums on or after 1st October 1994.

Textual Amendments

- F1** S. 53(1A) inserted (1.5.1995) by 1995 c. 4, s. 34, **Sch. 5 para. 3**
- F2** Word after s. 53(5)(a) inserted (1.5.1995 with application as mentioned in **Sch. 5 para. 2(4)** of the amending Act) by 1995 c. 4, s. 34, **Sch. 5 para. 2(2)(a)**
- F3** S. 53(5)(c) and the word immediately preceding it repealed (1.5.1995 with application as mentioned in **Sch. 5 para. 2(4)** of the repealing Act) by 1995 c. 4, ss. 34, 162, **Sch. 5 para. 2(2)(b)**, **Sch. 29 Pt. VII**, Note
- F4** S. 53(5A) inserted (1.5.1995) by 1995 c. 4, s. 34, **Sch. 5 para. 2(3)**

[^{F5}53AA Registration of taxable intermediaries.

(1) A person who—

- (a) is a taxable intermediary, and
- (b) is not registered,

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is liable to be registered.

- (2) The register kept under this section may contain such information as the Commissioners think is required for the purposes of the care and management of the tax.
- (3) A person who—
 - (a) at any time forms the intention of charging taxable intermediary’s fees, and
 - (b) is not already charging such fees in the course of another business,shall notify the Commissioners of those facts.
- (4) A person who at any time—
 - (a) ceases to have the intention of charging taxable intermediary’s fees in the course of his business, and
 - (b) has no intention of charging such fees in the course of another business of his,shall notify the Commissioners of those facts.
- (5) Where a person is liable to be registered by virtue of subsection (1) above, the Commissioners shall register him with effect from the time when he begins to charge taxable intermediary’s fees in the course of the business concerned; and it is immaterial whether or not he notifies the Commissioners under subsection (3) above.
- (6) Where a person—
 - (a) notifies the Commissioners under subsection (4) above, and
 - (b) satisfies them of the facts there mentioned,the Commissioners shall cancel his registration with effect from the earliest practicable time after he ceases to charge taxable intermediary’s fees in the course of any business of his.
- (7) In a case where—
 - (a) the Commissioners are satisfied that a person has ceased to charge taxable intermediary’s fees in the course of any business of his, but
 - (b) he has not notified them under subsection (4) above,they may cancel his registration with effect from the earliest practicable time after he so ceased.
- (8) For the purposes of this section regulations may make provision—
 - (a) as to the time within which a notification is to be made;
 - (b) as to the form and manner in which any notification is to be made and as to the information to be contained in or provided with it;
 - (c) requiring a person who has made a notification to notify the Commissioners if any information contained in or provided in connection with it is or becomes inaccurate;
 - (d) as to the correction of entries in the register.
- (9) In this Part “taxable intermediary’s fees” means fees which, to the extent of any payment in respect of them, are chargeable to tax by virtue of section 52A above.]

Textual Amendments

F5 S. 53AA inserted after s. 53 (19.3.1997) by 1997 c. 16, s. 26

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[^{F6}53A Information required to keep register up to date.

- (1) Regulations may make provision requiring a registrable person to notify the Commissioners of particulars which—
 - (a) are of changes in circumstances relating to the registrable person or any business carried on by him,
 - (b) appear to the Commissioners to be required for the purpose of keeping the register kept under section 53 [^{F7}or 53AA] above up to date, and
 - (c) are of a prescribed description.
- (2) Regulations may make provision—
 - (a) as to the time within which a notification is to be made;
 - (b) as to the form and manner in which a notification is to be made;
 - (c) requiring a person who has made a notification to notify the Commissioners if any information contained in it is inaccurate.]

Textual Amendments

- F6** S. 53A inserted (1.5.1995) by 1995 c. 4, s. 34, Sch. 5, para. 4
F7 Words in s. 53A inserted (19.3.1997) by 1997 c. 16, s. 27(2)

54 Accounting for tax and time for payment.

Regulations may provide that a registrable person shall—

- (a) account for tax by reference to such periods (accounting periods) as may be determined by or under the regulations;
- (b) make, in relation to accounting periods, returns in such form as may be prescribed and at such times as may be so determined;
- (c) pay tax at such times and in such manner as may be so determined.

55 Credit.

- (1) Regulations may provide that where an insurer [^{F8}or taxable intermediary] has paid tax and all or part of the premium [^{F9}or taxable intermediary's fee (as the case may be)] is repaid, the insurer [^{F8}or taxable intermediary] shall be entitled to credit of such an amount as is found in accordance with prescribed rules.
- (2) Regulations may provide that where—
 - (a) by virtue of regulations made under section 68 below tax is charged in relation to a premium which is shown in the accounts of an insurer as due to him,
 - (b) that tax is paid, and
 - (c) it is shown to the satisfaction of the Commissioners that the premium, or part of it, will never actually be received by or on behalf of the insurer,
 the insurer shall be entitled to credit of such an amount as is found in accordance with prescribed rules.
- (3) Regulations may make provision as to the manner in which an insurer [^{F8}or taxable intermediary] is to benefit from credit, and in particular may make provision—
 - (a) that an insurer [^{F8}or taxable intermediary] shall be entitled to credit by reference to accounting periods;

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- (b) that an insurer [^{F8}or taxable intermediary] shall be entitled to deduct an amount equal to his total credit for an accounting period from the total amount of tax due from him for the period;
 - (c) that if no tax is due from an insurer [^{F8}or taxable intermediary] for an accounting period but he is entitled to credit for the period, the amount of the credit shall be paid to him by the Commissioners;
 - (d) that if the amount of credit to which an insurer [^{F8}or taxable intermediary] is entitled for an accounting period exceeds the amount of tax due from him for the period, an amount equal to the excess shall be paid to him by the Commissioners;
 - (e) for the whole or part of any credit to be held over to be credited for a subsequent accounting period;
 - (f) as to the manner in which a person who has ceased to be registrable [^{F10}(whether under section 53 or section 53AA)] is to benefit from credit.
- (4) Regulations under subsection (3)(c) or (d) above may provide that where at the end of an accounting period an amount is due to an insurer [^{F8}or taxable intermediary] who has failed to submit returns for an earlier period as required by this Part, the Commissioners may withhold payment of the amount until he has complied with that requirement.
- (5) Regulations under subsection (3)(e) above may provide for credit to be held over either on the insurer's [^{F11}or taxable intermediary's] application or in accordance with general or special directions given by the Commissioners from time to time.
- (6) Regulations may provide that—
- (a) no deduction or payment shall be made in respect of credit except on a claim made in such manner and at such time as may be determined by or under regulations;
 - (b) payment in respect of credit shall be made subject to such conditions (if any) as the Commissioners think fit to impose, including conditions as to repayment in specified circumstances;
 - (c) deduction in respect of credit shall be made subject to such conditions (if any) as the Commissioners think fit to impose, including conditions as to the payment to the Commissioners, in specified circumstances, of an amount representing the whole or part of the amount deducted.
- (7) Regulations may require a claim by an insurer [^{F8}or taxable intermediary] to be made in a return required by provision made under section 54 above.
- (8) Regulations may provide that where—
- (a) all or any of the tax payable in respect of a premium [^{F12}or taxable intermediary's fee] has not been paid, and
 - (b) the circumstances are such that a person would be entitled to credit if the tax had been paid,
- prescribed adjustments shall be made as regards any amount of tax due from any person.

Textual Amendments

F8 Words in s. 55 inserted (19.3.1997) by 1997 c. 16, s. 27(3)(a)

F9 Words in s. 55(1) inserted (19.3.1997) by 1997 c. 16, s. 27(3)(b)

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- F10** Words in s. 55(3)(f) inserted (19.3.1997) by 1997 c. 16, s. 27(3)(c)
F11 Words in s. 55(5) inserted (19.3.1997) by 1997 c. 16, s. 27(3)(d)
F12 Words in s. 55(8)(a) inserted (19.3.1997) by 1997 c. 16, s. 27(3)(e)

56 Power to assess.

- (1) In a case where—
- (a) a person has failed to make any returns required to be made under this Part,
 - (b) a person has failed to keep any documents necessary to verify returns required to be made under this Part,
 - (c) a person has failed to afford the facilities necessary to verify returns required to be made under this Part, or
 - (d) it appears to the Commissioners that returns required to be made by a person under this Part are incomplete or incorrect,
- the Commissioners may assess the amount of tax due from the person concerned to the best of their judgment and notify it to him.
- (2) Where a person has for an accounting period been paid an amount to which he purports to be entitled under regulations made under section 55 above, then, to the extent that the amount ought not to have been paid or would not have been paid had the facts been known or been as they later turn out to be, the Commissioners may assess the amount as being tax due from him for that period and notify it to him accordingly.
- (3) Where a person is assessed under subsections (1) and (2) above in respect of the same accounting period the assessments may be combined and notified to him as one assessment.
- (4) Where the person failing to make a return, or making a return which appears to the Commissioners to be incomplete or incorrect, was required to make the return as a personal representative, trustee in bankruptcy, trustee in sequestration, receiver, liquidator or person otherwise acting in a representative capacity in relation to another person, subsection (1) above shall apply as if the reference to tax due from him included a reference to tax due from that other person.
- (5) An assessment under subsection (1) or (2) above of an amount of tax due for an accounting period shall not be made after the later of the following—
- (a) two years after the end of the accounting period;
 - (b) one year after evidence of facts, sufficient in the Commissioners' opinion to justify the making of the assessment, comes to their knowledge;
- but where further such evidence comes to their knowledge after the making of an assessment under subsection (1) or (2) above another assessment may be made under the subsection concerned in addition to any earlier assessment.
- (6) In a case where—
- (a) as a result of a person's failure to make a return for an accounting period the Commissioners have made an assessment under subsection (1) above for that period,
 - (b) the tax assessed has been paid but no proper return has been made for the period to which the assessment related, and
 - (c) as a result of a failure to make a return for a later accounting period, being a failure by the person referred to in paragraph (a) above or a person acting in a representative capacity in relation to him, as mentioned in subsection (4)

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above, the Commissioners find it necessary to make another assessment under subsection (1) above,

then, if the Commissioners think fit, having regard to the failure referred to in paragraph (a) above, they may specify in the assessment referred to in paragraph (c) above an amount of tax greater than that which they would otherwise have considered to be appropriate.

- (7) Where an amount has been assessed and notified to any person under subsection (1) or (2) above it shall be deemed to be an amount of tax due from him and may be recovered accordingly unless, or except to the extent that, the assessment has subsequently been withdrawn or reduced.
- (8) For the purposes of this section notification to—
- (a) a personal representative, trustee in bankruptcy, trustee in sequestration, receiver or liquidator, or
 - (b) a person otherwise acting in a representative capacity in relation to another person,

shall be treated as notification to the person in relation to whom the person mentioned in paragraph (a) above, or the first person mentioned in paragraph (b) above, acts.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 16A(2)(g) inserted by [2023 c. 30 Sch. 13 para. 28](#)
- s. 160(2)-(7) modified by 2010 c. 8 s. 464(6) (as inserted) by [2017 c. 32 Sch. 5 para. 1](#)
- Sch. 5 para. 2(1)(pa) inserted by [S.I. 2022/109 reg. 4](#) (This amendment not applied to [legislation.gov.uk](#). The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)