
STATUTORY INSTRUMENTS

1995 No. 351

INCOME TAX

The Lloyd's Underwriters (Tax) Regulations 1995

Made - - - - *15th February 1995*
Laid before the House of
Commons - - - - *16th February 1995*
Coming into force - - *9th March 1995*

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by sections 179(2), 179A(3)(b), 182(1), (4) and (5), and 184(1) and (3) of the Finance Act 1993(1), and sections 227(2), 229(a) and 230(1) and (3) of the Finance Act 1994(2), hereby make the following Regulations:

Preliminary

Citation, commencement and effect

1. These Regulations may be cited as the Lloyd's Underwriters (Tax) Regulations 1995 and shall come into force on 9th March 1995, but except as otherwise provided shall have effect—

- (a) in their application to members who are individuals, with respect to the year 1992–93 and subsequent years of assessment;
- (b) in their application to corporate members, with respect to the underwriting year 1994 and subsequent underwriting years.

Interpretation

2.—(1) In these Regulations unless the context otherwise requires—

“ancillary trust fund” in relation to a member who is an individual has the meaning given by section 184(1) of the Finance Act 1993(3), and in relation to a corporate member has the meaning given by section 230(1) of the Finance Act 1994;

(1) 1993 c. 34. Section 179 was amended by paragraph 6(1) of Schedule 21 and Part V(25) of Schedule 26 to the Finance Act 1994 (c. 9), and section 179A was inserted by paragraph 6(2) of Schedule 21 to the Finance Act 1994. Section 182 was amended by paragraph 7(1) of Schedule 21 and Part V(25) of Schedule 26 to the Finance Act 1994 with effect for the year 1997–98 and subsequent years of assessment. See also the definitions of “managing agent” and “prescribed” in section 184(1) of the Finance Act 1993.

(2) 1994 c. 9; see the definition of “managing agent” in section 230(1) of the Finance Act 1994.

(3) The definition of “ancillary trust fund” in section 184(1) of the Finance Act 1993 was amended by paragraph 8(1)(a) of Schedule 21 and Part V(25) of Schedule 26 to the Finance Act 1994.

- “the Board” means the Commissioners of Inland Revenue;
- “Chapter III” means Chapter III of Part II of the Finance Act 1993, and “Chapter V” means Chapter V of Part IV of the Finance Act 1994;
- “inspector” includes any officer of the Board;
- “Management Act” means the Taxes Management Act 1970⁽⁴⁾;
- “managing agent” in relation to a member who is an individual has the meaning given by section 184(1) of the Finance Act 1993 as extended by regulation 3, and in relation to a corporate member has the meaning given by section 230(1) of the Finance Act 1994 as extended by that regulation;
- “member” means a member of Lloyd’s who is an individual or, as the case may be, a corporate member and who is or has been an underwriting member;
- “quota share contract” in relation to a member who is an individual has the meaning given by section 178(4) of the Finance Act 1993, and in relation to a corporate member has the meaning given by section 225(4) of the Finance Act 1994;
- “Schedule 19” and “Schedule 20” mean respectively Schedule 19 and Schedule 20 to the Finance Act 1993;
- “the Taxes Act” means the Income and Corporation Taxes Act 1988⁽⁵⁾;
- “section 179” and “section 179A” mean respectively, section 179 and section 179A of the Finance Act 1993;
- “underwriting business” in relation to a member who is an individual has the meaning given by section 184(1) of the Finance Act 1993, and in relation to a corporate member has the meaning given by section 230(1) of the Finance Act 1994.

(2) For the purposes of these Regulations 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.

(3) References in these Regulations to the profits or losses of the underwriting business of a member who is an individual are references to profits or losses of that business within Chapter III, and references to the profits or losses of a corporate member’s underwriting business are references to the profits or losses of that business within Chapter V.

Managing agents

3.—(1) For the purposes of Parts I and III of Schedule 19 and of these Regulations, if the person who is acting as a managing agent in relation to an underwriting year corresponding to a year of assessment (in this regulation referred to as “the original year of assessment”) is different from the person who was so acting at the end of that underwriting year (in this regulation referred to as “the original agent”), then “managing agent” has the meaning given by sub-paragraph (a) or, as the case may be, sub-paragraph (b) of paragraph (2) below.

(2) If the original agent ceases so to act—

- (a) before the beginning of the year of assessment next but two following the original year of assessment, then “managing agent” means—
- (i) the person who is so acting at the beginning of that year of assessment, or
 - (ii) if that person ceases so to act, such person as the Board may determine having regard to all the circumstances;

(4) 1970 c. 9.

(5) 1988 c. 1.

- (b) after the end of the year of assessment next but one following the original year of assessment, then “managing agent” means such person as the Board may determine having regard to all the circumstances.

Assessment and collection of tax

Assessment and collection – general

4. Subject to regulations 5 to 8 below and regulations 6 to 12, 14 and 15 of the Lloyd’s Underwriters (Tax) (1992–93 to 1996–97) Regulations 1995(6), the like provisions as are contained in the Management Act and the Tax Acts relating to the assessment and collection of tax shall have effect in relation to tax charged in accordance with section 171 of the Finance Act 1993(7) or, as the case may be, section 219 of the Finance Act 1994.

Amount payable under stop-loss insurance – individual member

5.—(1) This regulation applies where—

- (a) any insurance money payable to a member under a stop-loss insurance in respect of a loss in his underwriting business, or any amount payable to a member out of the High Level Stop Loss Fund in respect of such a loss, falls to be treated by virtue of section 178(2) of the Finance Act 1993(8) as a trading receipt in computing the profits arising from the business for the year of assessment which corresponds to the underwriting year in which the loss arose or, as respects an amount payable in respect of a loss declared in the underwriting year 1997 or a subsequent underwriting year, the underwriting year in which the loss was declared;
- (b) the amount so treated operates to reduce or extinguish the amount of the loss sustained by the member in his underwriting business for that year of assessment;
- (c) section 178(3) of the Finance Act 1993 does not apply as respects the payment of that amount; and
- (d) the inspector is precluded—
- (i) by section 34 of the Management Act(9) from making an assessment under section 29(3)(c) of that Act or, as respects the year 1996–97 and subsequent years of assessment, section 29(1)(c) of that Act(10), in respect of the whole or any part of that amount, or
- (ii) by section 30(5) of the Management Act(11) from making an assessment under that section in respect of the whole or any part of that amount.

(2) An assessment under section 29(3)(c) or, as the case may be, section 29(1)(c) or 30 of the Management Act in respect of the whole or any part of that amount shall not be out of time if made

(6) S.I. 1995/352.

(7) Section 171 as amended by paragraph 1 of Schedule 21 and Part V(25) of Schedule 26 to the Finance Act 1994.

(8) Section 178(2) was amended by paragraph 5 of Schedule 21 to the Finance Act 1994 as respects insurance money and other amounts payable in respect of losses declared in the underwriting year 1997 or subsequent underwriting years.

(9) Section 34 was amended by paragraph 10 of Schedule 19 to the Finance Act 1994 with effect from the year 1996–97.

(10) Section 29 was substituted by section 191 of the Finance Act 1994 with effect from the year 1996–97, but in relation to a partnership whose trade, profession or business was set up and commenced before 6th April 1994, with effect from the year 1997–98.

(11) Section 30 was substituted by section 149(1) of the Finance Act 1982 (c. 39), and the section as substituted was amended by section 88(1) to (4) of the Finance (No. 2) Act 1987 (c. 51), paragraphs 10(3) and 32 of Schedule 29 to the Income and Corporation Taxes Act 1988, section 149(3)(a) of the Finance Act 1989 (c. 26), section 105 of the Finance Act 1990 (c. 29), paragraph 2(6) of Schedule 10 to the Taxation of Chargeable Gains Act 1992 (c. 12) and, with effect from the year 1996–97, paragraph 4 of Schedule 19 to the Finance Act 1994.

before the end of the underwriting year following the underwriting year following the underwriting year in which the amount was received.

Amount payable under stop-loss insurance – corporate member

6.—(1) This regulation applies where—

- (a) any insurance money is payable to a corporate member under a stop-loss insurance in respect of a loss in its underwriting business, and the insurance money or, as the case may be, the apportioned part of the insurance money falls to be treated by virtue of section 225(2) of the Finance Act 1994 as a trading receipt in computing the profits arising from the business for an accounting period;
- (b) the amount so treated operates to reduce or extinguish the amount of the loss sustained by the corporate member in its underwriting business for that accounting period;
- (c) section 225(3) of the Finance Act 1994 does not apply as respects the payment of the insurance money; and
- (d) the inspector is precluded—
 - (i) by section 34 of the Management Act from making an assessment under section 29(3)(c) of that Act or, as respects an accounting period ending on or after such day as is appointed under section 199(3) of the Finance Act 1994⁽¹²⁾, section 29(1)(c) of the Management Act, in respect of the whole or any part of the amount so treated, or
 - (ii) by section 30(5) of the Management Act from making an assessment under that section in respect of the whole or any part of that amount.

(2) An assessment under section 29(3)(c) or, as the case may be, section 29(1)(c) or 30 of the Management Act in respect of the whole or any part of that amount shall not be out of time if made before the end of the underwriting year following the underwriting year in which the amount was received.

Non-delivery of return – reasonable excuse

7.—(1) For the purposes of Schedule 19, a managing agent shall be deemed not to have failed—

- (a) to deliver a return of a syndicate profit or loss within the time specified in paragraph 2(2) of that Schedule, or
- (b) to deliver a return apportioning a syndicate profit or loss within the period referred to in paragraph 6(4) of that Schedule,

if he delivered it within such further time, if any, as the inspector may have allowed.

(2) Where a managing agent had a reasonable excuse for not delivering such a return as is mentioned in paragraph (1) above, he shall be deemed not to have failed to deliver it unless the excuse had ceased and, after the excuse ceased, not to have failed to deliver it if he did so without unreasonable delay after the excuse had ceased.

Determinations and notices of determinations

8. The like provisions as are contained in section 113(1B) of the Management Act⁽¹³⁾ shall apply to a determination or a notice of a determination under Schedule 19 as if the determination were an assessment and the notice of the determination were a notice of an assessment.

⁽¹²⁾ On the day these Regulations are made, no such day has yet been appointed.

⁽¹³⁾ Section 113(1B) was inserted by paragraph 10 of Schedule 4 to the Finance Act 1970 (c. 24).

Cessation of member's underwriting business

Cessation of individual member's underwriting business – final year of assessment

9.—(1) Where a member who is an individual ceases to carry on his underwriting business, whether by reason of death or otherwise, the member's final year of assessment shall, in the cases specified in paragraphs (2) to (5) below and subject to subsection (3) of section 179(14), be ascertained in accordance with the provisions of those paragraphs.

(2) In any case where a letter is issued by the Membership Department of Lloyd's to the member or his agent inviting an application for the repayment of the member's deposit, the member's final year of assessment shall be not later than the year of assessment in which falls the date which is 180 days after the date of issue of the letter.

(3) In any case where the member's deposit at Lloyd's is paid over to a person other than the member or his personal representatives or assigns, the member's final year of assessment shall be that which corresponds to the underwriting year in which his deposit is so paid over or, where paragraph (2) above applies and the year of assessment specified in that paragraph is earlier, that earlier year of assessment.

(4) In any case where the member or another person is released from any arrangement entered into by the member or that person in order to satisfy the requirement on the part of the member to provide a deposit at Lloyd's, the member's final year of assessment shall, except in a case to which paragraph (5) below applies, be that which corresponds to the underwriting year in which the release occurs.

(5) In any case where the member's deposit at Lloyd's is extinguished or released before the last open year of account of any syndicate of which he is a member is closed, the member's final year of assessment shall be either—

- (a) the year of assessment next following the year of assessment which corresponds to the underwriting year in which the last open year of account of any syndicate of which he is a member is closed or, if later,
- (b) the year of assessment which corresponds to the underwriting year in which he ceases to be a member of Lloyd's under the rules or practice of Lloyd's.

(6) This regulation has effect in relation to any member—

- (a) whose deposit at Lloyd's is paid over to him or another person or, as the case may be, released or extinguished, on or after 1st January 1993, and
- (b) in whose case the last open year of account of any syndicate of which he was a member is closed on or after that date.

(7) For the purposes of this regulation, the last open year of account of a syndicate of which a person is a member shall be regarded as having closed either—

- (a) when the member is treated under the rules or practice of Lloyd's as having been discharged of all his liabilities in relation to that syndicate, whether by the syndicate closing its accounts or by the member or his personal representatives or assigns entering into a quota share contract, or
- (b) in a case where the member enters, or his personal representatives or assigns enter into a quota share contract before the end of the closing year of the syndicate, at the end of the underwriting year in which the contract is made.

(14) Section 179(3) of the Finance Act 1993 was repealed by paragraph 6(1) of Schedule 21, and Part V(25) of Schedule 26, to the Finance Act 1994 in any case where the member dies after the end of the year 1993–94.

Cessation of individual member's underwriting business by reason of death on or after 6th April 1994 – date of cessation of business

10.—(1) For the purposes of the Income Tax Acts, where a member ceases to carry on his underwriting business by reason of his death, the business shall, in the cases specified in paragraphs (2) to (5) below, be treated as continuing until the date specified in those paragraphs in relation to the appropriate case.

(2) In any case where a letter is issued by the Membership Department of Lloyd's to the member's agent, or his personal representatives or assigns, inviting an application for the repayment of the member's deposit, the member's business shall be treated as continuing until the date which is 180 days after the date of issue of the letter.

(3) In any case where the member's deposit at Lloyd's is paid over to a person other than the member's personal representatives or assigns, the member's business shall be treated as continuing until his deposit is so paid over or, where paragraph (2) above applies and the date specified in that paragraph occurs earlier, that earlier date.

(4) In any case where the member's personal representatives are, or another person is, released from any arrangement entered into by the member or that person in order to satisfy the requirement on the part of the member to provide a deposit at Lloyd's, the member's business shall, except in a case to which paragraph (5) below applies, be treated as continuing until the date on which the release occurs.

(5) In any case where the member's deposit at Lloyd's is extinguished or released before the last open year of account of any syndicate of which he was a member is closed, the member's business shall be treated as continuing until either—

- (a) the end of the year of assessment next following the year of assessment which corresponds to the underwriting year in which the last open year of account of any syndicate of which he was a member is closed or, if later,
- (b) the end of the year of assessment which corresponds to the underwriting year in which he ceased to be a member of Lloyd's under the rules or practice of Lloyd's.

(6) For the purposes of paragraph (5) above, the last open year of account of a syndicate of which a person was a member shall be regarded as having closed either—

- (a) when the member is treated under the rules or practice of Lloyd's as having been discharged of all his liabilities in relation to that syndicate, whether by the syndicate closing its accounts or by the member or his personal representatives entering into a quota share contract, or
- (b) in a case where the member enters, or his personal representatives enter, into a quota share contract before the end of the closing year of the syndicate, at the end of the underwriting year in which the contract is made.

(7) This regulation has effect in relation to any member whose death occurs on or after 6th April 1994.

Profits and losses arising after death of member before 6th April 1994

11. For the purposes of the provisions of Chapter III other than Schedule 20, where—

- (a) the death of a member occurred before 6th April 1994;
- (b) the member's deposit at Lloyd's, if paid over to him or his personal representatives or assigns, was not paid over prior to 1st January 1993; and
- (c) income arises to, or expenses are incurred or paid by, his personal representatives after his death from the carrying on by them of the member's underwriting business in circumstances where the income or expenses would have been taken into account, by

virtue of those provisions, in computing the profits or losses arising to the member from his underwriting business had they arisen or been incurred or paid prior to his death, the income and expenses shall be regarded as arising to, or incurred or paid by, the member and are accordingly to be taken into account in computing profits or losses arising to the member from his underwriting business for the purposes of those provisions.

Cessation of individual member's underwriting business by reason of death on or after 6th April 1994 – profits or losses arising after death

12. For the purposes of the provisions of Chapter III other than Schedule 20, where—

- (a) the death of a member occurs on or after 6th April 1994; and
- (b) income arises to, or expenses are incurred or paid by, his personal representatives after his death from the carrying on by them of the member's underwriting business in circumstances where the income or expenses would have been taken into account, by virtue of those provisions, in computing the profits or losses arising to the member from his underwriting business had they arisen or been incurred or paid prior to his death,

the profits or losses arising to the personal representatives from the income and expenses shall be computed as if references in those provisions to profits and losses arising to the member from his underwriting business included references to the profits and losses arising to the personal representatives.

Cessation of individual member's underwriting business – claim for relief where business commenced before 1st January 1972

13.—(1) This regulation applies where—

- (a) a member who is an individual has ceased to be a member of Lloyd's under the rules or practice of Lloyd's or, if earlier, has given notice of resignation of membership under the rules or practice of Lloyd's which has not been withdrawn; and
- (b) the member's underwriting business as an underwriting member of Lloyd's commenced before 1st January 1972.

(2) The member may claim that—

- (a) for the last year of assessment in which profits or losses of his underwriting business arising directly from his membership of one or more syndicates, or from assets forming part of a premiums trust fund of one or more syndicates, being profits or losses declared in the underwriting year following the closing year, fall to be included by virtue of the provisions of Chapter III, he shall be charged to tax in respect of those profits on the amount of the actual profits of the period beginning on 6th April and ending on 31st December in that underwriting year (but subject to any deduction or set-off to which he may be entitled under section 385 of the Taxes Act⁽¹⁵⁾); and
- (b) for the year of assessment immediately preceding that referred to in sub-paragraph (a) above, there shall be deducted in computing profits arising as mentioned in that sub-paragraph an amount equal to the lesser of—
 - (i) the amount of those profits, and
 - (ii) the amount of the profits of his underwriting business for the underwriting year 1972.

(3) For the purposes only of determining the last year of assessment under paragraph (2) above in any case where the member enters into a quota share contract in relation to a syndicate before the

(15) Section 385 was amended by paragraph 6(8) of Schedule 6, and Part V of Schedule 14, to the Finance Act 1988 (c. 39), and by sections 209(4) and (5) and 216(3)(e) of, and Part V(24) of Schedule 26 to, the Finance Act 1994.

end of the closing year of the syndicate, any loss declared by that syndicate following the making of the contract shall be treated as if it were a declared profit.

(4) A member may not make more than one claim under paragraph (2) above.

Cessation of individual member's underwriting business – terminal loss relief

14.—(1) This regulation applies where a member ceases to carry on his underwriting business, whether by reason of death or otherwise, and either—

- (a) his deposit at Lloyd's is paid over to him or his personal representatives or assigns on or after 1st January 1993, or
- (b) the last open year of account of any syndicate of which he is a member is closed after 31st December 1992.

(2) Notwithstanding section 179 or section 179A, or regulation 9 or 10 of these Regulations, the date on which the member's underwriting business is permanently discontinued for the purposes of section 388 of the Taxes Act (carry-back of terminal losses) shall be deemed to be the 5th April in the last year of assessment in which profits or losses of that business which arise directly from his membership of one or more syndicates, or from assets forming part of a premiums trust fund, fall to be included by virtue of the provisions of Chapter III.

(3) No claim may be made by a member under section 388 of the Taxes Act until—

- (a) he has ceased to be a member under the rules or practice of Lloyd's or, if earlier,
- (b) he has given (and not withdrawn) notice of resignation of membership under the rules or practice of Lloyd's.

(4) A member may not make more than one claim under section 388 of the Taxes Act in respect of the same underwriting business.

(5) For the purposes of paragraph (1)(b) above, the last open year of account of a syndicate of which a person is a member shall be regarded as having closed either—

- (a) when the member is treated under the rules or practice of Lloyd's as having been discharged of all his liabilities in relation to that syndicate, whether by the syndicate closing its accounts or by the member or his personal representatives or assigns entering into a quota share contract; or
- (b) in a case where the member enters, or his personal representatives or assigns enter, into a quota share contract before the end of the closing year of the syndicate, at the end of the underwriting year in which the contract is made.

(6) For the purposes only of determining the last year of assessment under paragraph (2) above in any case where the member enters into a quota share contract in relation to a syndicate before the end of the closing year of the syndicate, any loss declared by that syndicate following the making of the contract shall be treated as if it were a declared profit.

Cessation of individual member's underwriting business by reason of death – winding up of old-style special reserve fund

15.—(1) In any case where—

- (a) a member ceases to carry on his underwriting business by reason of his death;
- (b) the member's final year of assessment, ascertained in accordance with the provisions of Chapter III and these Regulations, is the year 1992–93 or any subsequent year of assessment; and
- (c) prior to his death no new-style fund had been set up in relation to the member;

subsection (4) of section 175 of the Finance Act 1993 (winding-up of old-style fund) shall apply as if paragraph (b) of that subsection was omitted.

(2) In paragraph (1) above, “new-style fund” and “old-style fund” have the meanings given by paragraph 12(1) of Schedule 20.

Cessation of corporate member’s underwriting business – final underwriting year

16.—(1) Where a corporate member ceases to carry on its underwriting business, whether by reason of being wound up or otherwise, its final underwriting year shall, in the cases specified in paragraphs (2) to (5) below, be ascertained in accordance with the provisions of those paragraphs.

(2) In any case where a letter is issued by the Membership Department of Lloyd’s to the corporate member or its agent inviting an application for the repayment of the corporate member’s deposit, the corporate member’s final underwriting year shall be not later than the underwriting year in which falls the date which is 180 days after the date of issue of the letter.

(3) In any case where the corporate member’s deposit at Lloyd’s is paid over to a person other than the corporate member, its final underwriting year shall be the underwriting year in which its deposit is so paid over or, where paragraph (2) above applies and the underwriting year specified in that paragraph is earlier, that earlier underwriting year.

(4) In any case where the corporate member or another person is released from any arrangement entered into by the corporate member or that person in order to satisfy the requirement on the part of the corporate member to provide a deposit at Lloyd’s, the corporate member’s final underwriting year shall, except in a case to which paragraph (5) below applies, be the underwriting year in which the release occurs.

(5) In any case where the corporate member’s deposit at Lloyd’s is extinguished or released before the last open year of account of any syndicate of which it is a member is closed, the corporate member’s final underwriting year shall be either—

- (a) the underwriting year next following the underwriting year in which the last open year of account of any syndicate of which it was a member is closed or, if later,
- (b) the underwriting year in which the corporate member ceases to be a member of Lloyd’s under the rules or practice of Lloyd’s.

(6) For the purposes of this regulation, the last open year of account of a syndicate of which a person is a corporate member shall be regarded as having closed when the member is treated under the rules or practice of Lloyd’s as having been discharged of all its liabilities in relation to that syndicate, whether by the syndicate closing its accounts or by the member entering into a quota share contract.

Supplemental

Revocations

17.—(1) The Lloyd’s Underwriters (Tax) Regulations 1974(**16**), the Lloyd’s Underwriters (Tax) (No. 2) Regulations 1974(**17**) and the Lloyd’s Underwriters (Schedule 19A to the Income and Corporation Taxes Act 1988) Regulations 1990(**18**) are hereby revoked.

(2) A claim made under regulation 21 of the Lloyd’s Underwriters (Tax) Regulations 1974 which was valid for the purposes of that regulation immediately before the coming into force of these Regulations but which had not been finally determined at that time (“a pending claim”) shall

(16) S.I. 1974/896, amended by S.I. 1974/1330.

(17) S.I. 1974/1330.

(18) S.I. 1990/2524.

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have effect as if made under regulation 13 of these Regulations, and accordingly references in that regulation to a claim shall be construed as including references to a pending claim.

15th February 1995

S C T Matheson
C W Corlett
Two of the Commissioners of Inland Revenue

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for the taxation of underwriting members of Lloyd's and, in doing so, supplement the provisions contained in Chapter III of Part II of the Finance Act 1993 ("the 1993 Act") relating to members who are individuals, and Chapter V of Part IV of the Finance Act 1994 ("the 1994 Act") relating to corporate members. The Regulations have effect from the year of assessment 1992–93 in their application to members who are individuals, and from the underwriting year 1994 in their application to corporate members, and revoke certain previous Regulations as mentioned below. Authority for the retrospective effect of these Regulations is given by sections 182(4) and 184(3) of the 1993 Act, and section 230(3) of the 1994 Act.

Regulation 1 provides for citation, commencement and effect, and regulation 2 contains definitions.

Regulation 3 extends the definitions of "managing agent" in section 184(1) of the 1993 Act and section 230(1) of the 1994 Act so as to cater for the case where the person who was acting as the managing agent of a syndicate of members at the end of an underwriting year is no longer so acting at the time when the syndicate profits of that underwriting year fall to be assessed. The regulation specifies the person who is to be the managing agent in such a case for the purposes of Schedule 19 to the 1993 Act (returns and claims by managing agents) ("Schedule 19").

Regulations 4 to 8 make provision for the assessment and collection of tax on the profits arising from a member's underwriting business. Regulation 4 imports the provisions of the Taxes Management Act 1970, the Income Tax Acts and the Corporation Tax Acts relating to the assessment and collection of tax. Regulation 5 makes special provision for assessment in connection with insurance money payable to an individual member under a stop-loss insurance in respect of a loss in his underwriting business, or in connection with an amount payable to a member out of the High Level Stop Loss Fund in respect of such a loss. Regulation 6 makes a similar provision in connection with insurance money payable to a corporate member. Regulation 7 provides for an extension of time for delivery of a return of a syndicate profit or loss or a return apportioning a syndicate profit or loss, and for reasonable excuse for failure to deliver such a return. Regulation 8 provides that section 113(1B1) of the Taxes Management Act 1970 (completion of assessing procedure) shall apply to determinations under Schedule 19 as it applies to assessments.

Regulations 9 to 16 make provision in the event of the cessation of a member's underwriting business. Regulation 9 specifies the final year of assessment of an individual member on the cessation of business where his deposit at Lloyd's is repaid, released or extinguished after 31st December 1992 in the circumstances specified in the regulation. Regulation 10 specifies the date of cessation of an individual member's underwriting business where the cessation occurs by reason of his death on or after 6th April 1994 and his deposit at Lloyd's is repaid, released or extinguished in the circumstances specified in the regulation. Regulations 11 and 12 make provision for charging profits or losses of a member's underwriting business arising after the death of a member. Regulation 13 makes special provision for assessment on the cessation of an individual member's underwriting business which commenced before 1st January 1972. Regulation 14, by way of modifying the effect of sections 179 and 179A of the 1993 Act, specifies the date on which an individual member's underwriting business is deemed, following cessation of that business, to be permanently discontinued for the purposes of terminal loss relief. Regulation 15 adapts section 175(4) of the 1993 Act in relation to the winding up of an old-style special reserve fund on the death of a member. Regulation 16 specifies the final underwriting year of a corporate member on the cessation of its business where its deposit is repaid, released or extinguished in the circumstances specified in the regulation.

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Regulation 17 revokes the Lloyd's Underwriters (Tax) Regulations 1974 (S.I. 1974/896), the Lloyd's Underwriters (Tax) (No. 2) Regulations 1974 (S.I. 1974/1330), which amended S.I. 1974/896, and the Lloyd's Underwriters (Schedule 19A to the Income and Corporation Taxes Act 1988) Regulations 1990 (S.I. 1990/2524). Annual Regulations made with respect to the years of assessment 1986–87 to 1991–92 each provided that the substantive regulations contained in the Lloyd's Underwriters (Tax) Regulations 1974 should not have effect for the year of assessment concerned, with the exception of regulation 7 (run-off syndicates) and regulation 21 (transitional relief on cessation of business reflecting the change from a previous year basis of assessment to a current year basis of assessment for the year of assessment 1972–73 and subsequent years). The effect of regulation 7 is preserved in regulation 13 of the Lloyd's Underwriters (Tax) (1992–93 to 1996–97) Regulations 1995 (S.I. 1995/352), while the effect of regulation 21 is preserved in regulation 13 of these Regulations. The Lloyd's Underwriters (Schedule 19A to the Income and Corporation Taxes Act 1988) Regulations 1990 have been rendered obsolete by the repeal of Schedule 19A by Part III (12) of Schedule 23 to the 1993 Act for the year 1992–93 and subsequent years of assessment, and its replacement by Schedule 19 to the 1993 Act.