
DRAFT STATUTORY INSTRUMENTS

2008 No.

**The Insurance Business Transfer Schemes
(Amendment of the Corporation Tax Acts) Order 2008**

Substitution of section 444AA

10. For section 444AA (transfers of business: deemed periodical return)⁽¹⁾ substitute—

“444AA Transfers of business: deemed periodical returns

(1) This section applies where the whole of the long-term business of a person (“the transferor”) is transferred from that person—

- (a) by one insurance business transfer scheme, or
- (b) by two or more insurance business transfer schemes which take effect on the same date.

(2) Where (apart from this subsection) there would not be a periodical return of the transferor covering a period ending immediately before the transfer date, there is to be deemed for the purposes of corporation tax to be a periodical return of the transferor covering the period—

- (a) beginning immediately after the last period ending before the transfer date which is covered by a periodical return of the transferor, and
- (b) ending immediately before the transfer date.

(3) The periodical return deemed to exist by subsection (2) above is to be deemed to contain—

- (a) such entries as would be included in an actual periodical return of the transferor covering the period mentioned in subsection (2) above, and
- (b) such entries as would be included in an actual periodical return of the transferor covering the period—
 - (i) beginning immediately after the end of the period mentioned in subsection (2) above, and
 - (ii) ending immediately before the transfer had effect,

and the period mentioned in subsection (2) above is to be deemed to be a period of account (but not an accounting period) of the transferor.

(4) There is to be deemed for the purposes of corporation tax to be a periodical return of the transferor—

- (a) covering the transfer date, and
- (b) containing the appropriate entries.

(5) In subsection (4) above “appropriate entries” means such entries as would be included in an actual periodical return covering the transfer date—

⁽¹⁾ Section 444AA was inserted by paragraph 18 of Schedule 33 to the Finance Act 2003 (c. 14) and substituted by paragraph 3 of Schedule 9 to the Finance Act 2007 (c. 11).

- (a) in line 32 of Form 40, and
 - (b) in line 11 of Form 14, in both columns (treating references in that form to “current year” as references to the time immediately after the transfer date and to “previous year” as references to the time immediately before the transfer date).
- (6) A transfer date covered by a periodical return deemed to exist by subsection (4) above is to be deemed to be a period of account of the transferor only for the purpose of taking into account profits under section 444ABD(2).
- (7) Where—
- (a) a periodical return deemed to exist by subsection (4) above is preceded by an actual periodical return of the transferor covering the period immediately before the transfer date, and
 - (b) profits are to be taken into account under section 444ABD in the period of account deemed to exist by subsection (6) above,
- those profits are to be deemed for the purposes of corporation tax to be profits arising on the last day of the period of account covered by the actual periodical return.
- (8) Any actual periodical return of the transferor covering a period which includes the transfer date is to be ignored for the purposes of corporation tax.
- (9) In this section and sections 444AB to 444AECC(3) “the transfer date”, in relation to an insurance business transfer scheme, means the date on which it takes effect.”

(2) Section 444ABD was inserted by paragraph 5 of Schedule 9 to the Finance Act 2007.

(3) Sections 444AB to 444AED were relevantly amended as follows: sections 444AB to 444ABC were substituted for sections 444AB and 444ABA by paragraph 4 of Schedule 9 to the Finance Act 2007; section 444ABD was inserted by paragraph 5 of that Schedule; sections 444AC and 444ACZA were substituted for section 444AC by paragraph 6 of that Schedule; section 444AD was repealed by paragraph 7 of that Schedule; and sections 444AEA to 444AED were inserted by paragraph 8 of that Schedule. Sections 444AB to 444AED are amended by articles 11 to 21 and 23 of this Order and sections 444AECA to 444AECC are inserted by article 22 of this Order.