
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1990, Paragraph 12. (See end of Document for details)

SCHEDULES

SCHEDULE 6

LIFE ASSURANCE: APPORTIONMENT OF INCOME ETC.

- 12 (1) Where at the end of 1989 the assets of an insurance company include securities of a class some of which are regarded as a single 1982 holding, and the rest of which are regarded as a single new holding, for the purposes of corporation tax on chargeable gains—
- (a) at the beginning of 1990 there shall be both a 1982 holding and a new holding of the description mentioned in any paragraph of section 440A(2) of the Taxes Act 1988 within which any of the securities fall at that time (whether or not there would be apart from this sub-paragraph), and
 - (b) the 1982 holding and the new holding of the description mentioned in any such paragraph shall at that time bear to one another the same proportions as the single 1982 holding and the single new holding at the end of 1989.
- (2) For the period beginning with 1st January 1990 and ending with 19th March 1990, section 440(4) of the Taxes Act 1988 (as substituted by paragraph 8 of this Schedule) and section 440A(2) of that Act shall have effect with the omission of paragraph (d) (so that all assets not within paragraphs (a) to (c) fall within paragraph (e)).
- (3) Sub-paragraph (4) below applies where—
- (a) at the end of 19th March 1990 the assets of an insurance company include securities of a class some of which are regarded as a relevant 1982 holding, and others of which are regarded as a relevant new holding, for the purposes of corporation tax on chargeable gains, and
 - (b) some of the securities are included in the company's long term business fund but others are not;
- and for the purposes of this sub-paragraph a holding is a "relevant" holding if it is not linked to pension business or basic life assurance business and is not an asset of the overseas life assurance fund.
- (4) Where this sub-paragraph applies—
- (a) at the beginning of 20th March 1990 there shall be both a 1982 holding and a new holding of each of the descriptions mentioned in paragraphs (d) and (e) of section 440A(2) of the Taxes Act 1988 (whether or not there would be apart from this sub-paragraph), and
 - (b) the 1982 holding and the new holding of each of those descriptions shall at that time bear to one another the same proportions as the 1982 holding and the new holding mentioned in sub-paragraph (3)(a) above at the end of 19th March 1990.
- (5) Except for the purposes of determining the assets of a company which are linked solely to basic life assurance business, the amendments made by this Schedule shall have effect in relation to a company with the omission of references to overseas life

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assurance business as respects any time before the provisions of Schedule 7 to this Act have effect in relation to the company.

- (6) Sub-paragraph (7) below applies where—
- (a) the first accounting period of an insurance company beginning on or after 1st January 1990 begins after 20th March 1990,
 - (b) at some time during the accounting period the company carries on overseas life assurance business, and
 - (c) immediately before the beginning of the accounting period the assets of the long term business fund of the company include both a relevant 1982 holding and a relevant new holding of securities of the same class;
- and for the purposes of this sub-paragraph a holding is a “relevant” holding if it is not linked to pension business or basic life assurance business.

- (7) Where this sub-paragraph applies—
- (a) at the beginning of the accounting period there shall be both a 1982 holding and a new holding of each of the descriptions mentioned in paragraphs (c) and (d) of section 440A(2) of the Taxes Act 1988 (whether or not there would be apart from this sub-paragraph), and
 - (b) the 1982 holding and the new holding of each of those descriptions shall at that time bear to one another the same proportions as the 1982 holding and the new holding mentioned in sub-paragraph (6)(c) above immediately before the beginning of the period.

- (8) No disposal or re-acquisition shall be deemed to occur by virtue of section 440 of the Taxes Act 1988 (as substituted by paragraph 8 of this Schedule) by reason only of the coming into force (in accordance with the provisions of paragraph 11 of this Schedule and this paragraph) of any provision of section 440A of that Act.

- (9) The substitution made by paragraph 8 of this Schedule shall not affect—
- (a) the operation of section 440 of the Taxes Act 1988 (as it has effect before the substitution) before 20th March 1990, or
 - (b) the operation of subsections (6) and (7) of that section (as they have effect before the substitution) in relation to the disposal of an asset which has not been deemed to be disposed of by virtue of section 440 (as it has effect after the substitution) before the time of the disposal.

- (10) In this paragraph—
- “1982 holding” has the meaning given by Part II of Schedule 19 to the ^{M1}Finance Act 1985;
- “new holding” has the meaning given by Part III of that Schedule; and
- “securities” has the same meaning as in section 65 of the ^{M2}Capital Gains Tax Act 1979.

Marginal Citations

M1 1985 c. 54.

M2 1979 c. 14.

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