



Finance Act 1991

1991 CHAPTER 31

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Insurance companies and friendly societies

47 Investor protection schemes.

(1) In section 76 of the Taxes Act 1988, in subsection (7) (which treats certain levies as expenses of management of insurance companies) after the word “under there shall be inserted “(a) ” and after the words “Policyholders Protection Act 1975 there shall be inserted the words “or

(b) a levy imposed in pursuance of a scheme established by rules under section 54 of the 1986 Act (compensation fund for unsatisfied claims),”.

(2) After that subsection there shall be inserted—

“(7A) The Treasury may by regulations make provision for any sums paid by a company under a prescribed levy imposed under a prescribed investor protection scheme established under the rules of a prescribed recognised self-regulating organisation to be treated for the purposes of this section as part of the company’s expenses of management; and, without prejudice to the generality of the foregoing, regulations under this subsection may, in particular—

(a) provide for only a prescribed part of any sums so paid to be so treated;

(b) provide for sums paid before, as well as after, the coming into force of the regulations to be so treated; and

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1991,
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- (c) make different provision for different cases or in relation to different levies, schemes or organisations.”
- (3) For subsection (8) of that section (definitions) there shall be substituted—
- “(8) In this section—
- “the 1986 Act means the Financial Services Act 1986;
- “acquisition expenses means expenses falling within paragraphs (a) to (c) of subsection (1) of section 86 of the Finance Act 1989;
- “authorised person has the same meaning as it has in the 1986 Act by virtue of section 207(1) of that Act;
- “investment business has the same meaning as it has in the 1986 Act by virtue of section 1(2) of that Act;
- “investor includes a person who is an investor for the purposes of the 1986 Act;
- “investor protection scheme means a scheme established under the rules of a recognised self-regulating organisation for purposes which consist of or include the compensating of investors in cases where persons, or persons of some class or description, who are or have been authorised persons, are, or are likely to be, unable to satisfy claims in respect of any description of civil liability incurred by them in connection with their investment businesses;
- “prescribed means specified in regulations made by the Treasury under subsection (7A) above;
- “recognised self-regulating organisation has the same meaning as it has in the 1986 Act;
- and other expressions have the same meaning as in Chapter I of Part XII.”
- (4) The amendments made by subsection (1) above shall have effect in relation to levies imposed, and sums paid, before or after the coming into force of that subsection.

48 Assimilation of basic life assurance business and general annuity business.

Schedule 7 to this Act shall have effect.

49 Pension business: payments on account of tax credits and deducted tax.

- (1) After section 438 of the Taxes Act 1988 (pension business: exemption from tax) there shall be inserted—

“438A Pension business: payments on account of tax credits and deducted tax.

Schedule 19AB shall have effect.”

- (2) Schedule 8 to this Act (which makes provision for and in connection with the making of payments to insurance companies on account of tax borne by deduction and tax credits in respect of income from assets referable to their pension business) shall have effect.
- (3) This section shall have effect in relation to accounting periods beginning on or after such day as the Treasury may by order made by statutory instrument appoint.

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Subordinate Legislation Made

P1 [S. 49\(3\)](#) power fully exercised (16.7.1992): 2.10.1992 appointed day by [S.I. 1992/1746](#)

Commencement Information

II [S. 49](#) came into force at Royal Assent (25.7.1991) with effect in relation to accounting period beginning on or after such day as the Treasury may appoint: 2.10.1992 appointed by [S.I. 1992/1746](#), [art. 2](#)

50 Friendly societies.

Schedule 9 to this Act (which makes provision about friendly societies) shall have effect.

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