



# Finance Act 1995

## 1995 CHAPTER 4

### PART III

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

##### *Insurance companies and friendly societies*

#### **51 Companies carrying on life assurance business**

Schedule 8 to this Act has effect in relation to companies carrying on life assurance business, as follows—

Part I contains general amendments,

Part II contains amendments of provisions relating to overseas life insurance companies, and

Part III contains supplementary provisions.

#### **52 Meaning of “insurance company”**

(1) In section 431(2) of the Taxes Act 1988 (interpretation of provisions relating to insurance companies), for the definition of “insurance company” there shall be substituted the following definition—

““insurance company” means any company which is—

(a) a company to which Part II of the Insurance Companies Act 1982 applies, or

(b) an EC company carrying on insurance business through a branch or agency in the United Kingdom,

and in this definition “EC company” and “insurance business” have the same meanings as in that Act of 1982;”.

(2) In section 168(7) of the Finance Act 1993 (meaning of “insurance company” for the purposes of provisions relating to exchange gains and losses), for the words from

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*Status: This is the original version (as it was originally enacted).*

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“a company” onwards there shall be substituted “any company which carries on any insurance business (within the meaning of the Insurance Companies Act 1982).”

- (3) In section 177(1) of the Finance Act 1994 (interpretation of provisions relating to financial instruments), in the definition of “insurance company”, for the words “to which Part II of the Insurance Companies Act 1982 applies” there shall be substituted “which carries on any insurance business (within the meaning of the Insurance Companies Act 1982);”.
- (4) In section 59(3)(b) of the Inheritance Tax Act 1984 (interests of insurance companies acquired before 14th March 1975 to be qualifying interests in possession), for the words from “if” onwards there shall be substituted “if the company is an insurance company (within the meaning of Chapter I of Part XII of the Taxes Act 1988) and either—
- (i) is authorised to carry on long term business under section 3 or 4 of the Insurance Companies Act 1982; or
  - (ii) carries on through a branch or agency in the United Kingdom the whole or any part of any long term business which it is authorised to carry on by an authorisation granted outside the United Kingdom for the purposes of the first long term insurance Directive;

and in paragraph (b) above “long term business” and “the first long term insurance Directive” have the same meanings as in that Act of 1982.”

- (5) Subsections (1) to (3) above shall have effect in relation to any accounting period ending after 30th June 1994; and subsection (4) above shall have effect for the purposes of the making, on an anniversary or other occasion after that date, of any charge to tax under section 64 or 65 of the Inheritance Tax Act 1984.

### **53 Transfer of life insurance business**

- (1) The amendments specified in Schedule 9 to this Act (which relate to enactments referring to the transfer of the whole or part of the long term business of an insurance company) shall have effect.
- (2) This section and that Schedule shall have effect in relation to any transfers sanctioned or authorised after 30th June 1994.

### **54 Friendly societies**

Schedule 10 to this Act (which makes provision about friendly societies) shall have effect.