

SCHEDULES

SCHEDULE 8

LIFE ASSURANCE BUSINESS

PART III

SUPPLEMENTARY PROVISIONS

Penalties

- 50 In the Table in section 98 of the Taxes Management Act 1970 (penalties for failure to comply with notice or to furnish information etc.), the entry “regulations under section 431E(1) or 441A(3);” shall be inserted—
- (a) in the first column after the entry relating to regulations under section 333 of the Taxes Act 1988, and
 - (b) in the second column after the entry relating to section 375(5) of that Act.

Miscellaneous

- 51 (1) The Taxes Act 1988 is amended as follows.
- (2) Before section 432 insert the heading “*Separation of different categories of business*”.
 - (3) In the sidenote to section 432 for “classes” substitute “categories”.
 - (4) Before section 434 insert the heading “*Miscellaneous provisions relating to life assurance business*”.
 - (5) In the sidenote to section 436 for “Annuity business and pension business” substitute “Pension business”.

Commencement

- 52 The amendment made by paragraph 43(2) above shall be deemed always to have had effect.
- 53 (1) The amendments made by paragraph 17 above have effect in relation to accounting periods ending on or after 1st January 1994.
- (2) In the first accounting period of a company ending on or after 1st January 1994 in which the subsection (3) figure for any category of business exceeds the subsection (2) figure, the subsection (2) figure shall be treated as increased by an amount not exceeding the amount or aggregate amount of any subsection (2) excesses in relation to that category of business for accounting periods beginning on or after 1st January 1990 and ending before 1st January 1994, but not so as to produce a subsection (2) excess for that period.

Status: This is the original version (as it was originally enacted).

For this purpose the subsection (2) excess for an accounting period beginning on or after 1st January 1990 and ending before 1st January 1994 shall be determined without regard to the fact that in any other such accounting period the subsection (3) figure exceeded the subsection (2) figure.

Expressions used in this sub-paragraph have the same meaning as in section 432F of the Taxes Act 1988.

- (3) Where a transfer mentioned in section 444A of the Taxes Act 1988 took place at the end of an accounting period of the transferor beginning on or after 1st January 1990 and ending before 1st January 1994, section 444A(3A) shall have effect in relation to the transfer as if it read—

“(3A) Any subsection (2) excess (within the meaning of section 432F(2)) of the transferor for an accounting period beginning on or after 1st January 1990 and ending before 1st January 1994 which (assuming the transferor had continued to carry on the business transferred after the transfer) would have been available to increase the subsection (2) figure (within the meaning of section 432F(1)) of the transferor in the first accounting period ending on or after 1st January 1994 in which the subsection (3) figure exceeded the subsection (2) figure—

- (a) shall, instead, be treated as a subsection (2) excess of the transferee, and
- (b) shall be taken into account to increase the subsection (2) figure of the transferee in its first accounting period ending on or after 1st January 1994 in which the subsection (3) figure exceeds the subsection (2) figure, but not so as to produce a subsection (2) excess for that period,

in relation to the revenue account of the transferee dealing with or including the business transferred.

For this purpose the subsection (2) excess for an accounting period beginning on or after 1st January 1990 and ending before 1st January 1994 shall be determined without regard to the fact that in any other such accounting period the subsection (3) figure exceeded the subsection (2) figure.”.

- 54 The amendment made by paragraph 22 above applies in relation to distributions made by an insurance company in any accounting period ending after 30th September 1993.

- 55 (1) Subject to sub-paragraphs (2) and (3) below, the amendments made by the following provisions of this Schedule have effect in relation to accounting periods beginning on or after 1st November 1994—

paragraph 1 so far as relating to the definition of “overseas life assurance business”,

paragraph 2 so far as relating to sections 431D and 431E of the Taxes Act 1988, paragraphs 3, 25, 30 to 33, 37, 38 and 45(1) and (3),

paragraph 46 so far as relating to paragraph 11A of Schedule 19AC to the Taxes Act 1988, and

paragraphs 48 and 50.

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

- (2) Where the policy or contract for any life assurance business was made before 1st November 1994, the amendments made by this Schedule (and the repeals consequential on those amendments) shall not have effect for determining whether the business is overseas life assurance business.
- (3) Where the policy or contract for any life assurance business effected by a company resident in the United Kingdom at or through a branch or agency outside the United Kingdom was made before 29th November 1994, subsections (2) to (8) of section 431D of the Taxes Act 1988 shall not have effect for determining whether the business is overseas life assurance business.
- 56 The amendments made by paragraphs 41(a) and 43(1) above have effect in relation to foreign income dividends paid after 29th November 1994.
- 57 (1) Except as provided by paragraphs 52 to 56 above, and subject to sub-paragraph (2) below, the amendments made by provisions of this Schedule have effect in relation to accounting periods beginning on or after 1st January 1995.
- (2) Section 442A of the Taxes Act 1988 does not apply in relation to the reinsurance of a policy or contract where the policy or contract was made, and the reinsurance arrangement effected, before 29th November 1994.
- 58 Any power to make regulations exercisable by virtue of an amendment made by any provision of this Schedule may be exercised so as to make provision having effect in relation to any accounting period in relation to which that provision has effect in accordance with paragraph 55 or 57 above.