



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 19

GIVING EFFECT TO ALLOWANCES AND CHARGES

Life assurance business

256 Different giving effect rules for different categories of business

- (1) Subsection (2) applies if a company—
 - (a) carries on basic life assurance and general annuity business, and
 - (b) does not fall to be charged to tax in accordance with the provisions applicable to Case I of Schedule D in respect of the profits of that business.
- (2) If this subsection applies—
 - (a) any allowances (or parts of allowances) to which the company is entitled in respect of the basic life assurance and general annuity business are to be given effect by treating them as additional expenses of management within section 76 of ICTA, and
 - (b) any charges (or parts of charges) to which the company is liable in respect of that business are to be given effect by treating the amount of the charges (or parts of charges) as income under Case VI of Schedule D for the chargeable period in question.
- (3) Subsection (4) applies if, for a chargeable period, a company is charged to tax under—
 - (a) section 436 of ICTA (pension business and ISA business),
 - (b) section 439B of ICTA (life reinsurance business), or
 - (c) section 441 of ICTA (overseas life assurance business).

Status: This is the original version (as it was originally enacted).

- (4) If this subsection applies, then, for the purpose of calculating the profit under Case VI of Schedule D for the chargeable period in question—
- (a) any allowances (or parts of allowances) to which the company is entitled in respect of any particular category of business are to be given effect by treating them as an expense of that category of business, and
 - (b) any charges (or parts of charges) to which the company is liable in respect of any particular category of business are to be given effect by treating them as receipts of that category of business.