
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Paragraph 8. (See end of Document for details)

SCHEDULES

SCHEDULE 32

LLOYD'S UNDERWRITERS

- 8 After subsection (3) of that section insert—
- “(3A) Where the amount payable by a corporate member under a quota share contract is less than the declared amount—
- (a) if the underwriting year in which the contract takes effect falls within a single accounting period, the difference between the two amounts (“the surplus”) shall be treated as a trading receipt in computing the profits arising from the member’s underwriting business for that period, and
 - (b) if that underwriting year falls within two or more accounting periods, the apportioned part of the surplus shall be treated as a trading receipt in computing the profits arising from the member’s underwriting business for each of those periods.
- (3B) Where a corporate member has entered a quota share contract, any amount paid by it to cover a cash call in respect of transferred losses that are not declared at the time the contract takes effect shall be treated, for the purposes of subsections (1)(b)(i) and (3A) above, as an amount payable under the contract at that time.”.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2002, Paragraph 8.