
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Cross Heading: Capital Allowances Act 2001. (See end of Document for details)

SCHEDULES

SCHEDULE 16

PART 2: MINOR AND CONSEQUENTIAL AMENDMENTS

PART 3

AMENDMENTS OF OTHER ACTS

Capital Allowances Act 2001

- 94 CAA 2001 is amended as follows.
- 95 In section 19(5) (special leasing of plant or machinery), for “life assurance business” substitute “ long-term business ”.
- 96 In the italic heading before section 254, for “*Life assurance*” substitute “ *Long-term* ”.
- 97 In section 254(1) (introductory), for “life assurance business” substitute “ long-term business ”.
- 98 For section 255 substitute—

“255 Apportionment of allowances and charges

- (1) This section applies if the long-term business of the company consists of—
- (a) basic life assurance and general annuity business, and
 - (b) non-BLAGAB long-term business.
- (2) In that case—
- (a) any allowance to which the company is entitled for a chargeable period in respect of a management asset, and
 - (b) any charge to which it is liable for a chargeable period in respect of a management asset,
- must be apportioned between the businesses in accordance with Chapter 7 of Part 2 of FA 2012.”
- 99 (1) Section 256 (different giving effect rules for different categories of business) is amended as follows.
- (2) In subsection (1)(b)—
- (a) for “under the I minus E basis” substitute “ in accordance with the I - E rules ”, and
 - (b) for “its life assurance business” substitute “ that business ”.

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- (3) In subsection (2)(a), for the words from “as expenses payable” to “section 76(7) of ICTA” substitute “ for the purposes of section 76 of FA 2012 as deemed BLAGAB management expenses for the chargeable period in question ”.
- (4) Omit subsections (3) and (4).
- (5) In the heading, for “**different categories of business**” substitute “ **BLAGAB** ”.
- 100 In section 257(2) (supplementary), for paragraphs (a) and (b) substitute—
- “(a) section 93(5) of FA 2012 (minimum profits test), or
 (b) section 103 of FA 2012 (rules for determining policyholders' share of I - E profit).”
- 101 (1) Section 261 (special leasing: life assurance business) is amended as follows.
- (2) For “life assurance business” substitute “ long-term business ”.
- (3) In the heading, for “**life assurance business**” substitute “ **long-term business** ”.
- 102 In the heading for Chapter 1 of Part 12, for “LIFE ASSURANCE” substitute “ LONG-TERM ”.
- 103 (1) Section 544 (management assets) is amended as follows.
- (2) In subsections (1) and (2), for “life assurance business” substitute “ long-term business ”.
- (3) Omit subsection (3).
- 104 (1) Section 545 (investment assets) is amended as follows.
- (2) In subsection (1), for “life assurance business” substitute “ long-term business ”.
- (3) For subsections (3) to (5) substitute—
- “(3) No allowance in respect of an investment asset is to be taken into account in calculating for corporation tax purposes the profits of any non-BLAGAB long-term business carried on by the company.”
- 105 (1) Section 560 (transfer of insurance company business) is amended as follows.
- (2) In subsection (1)(b)(ii), omit the words from “within” to the end.
- (3) In subsection (5), after paragraph (d) insert—
- “(e) qualifying overseas transfer” means so much of a transfer of the whole or any part of the business of an overseas life insurance company carried on through a permanent establishment in the United Kingdom as takes place in accordance with an authorisation granted outside the United Kingdom for the purposes of Article 14 of the Council Directive of 5 November 2002 concerning life assurance (2002/83/EC).”

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Annotations:

Amendments (Textual)

F1 Sch. 16 para. 106 repealed (with effect in accordance with s. 33(5) of the amending Act) by [Finance Act 2019 \(c. 1\)](#), s. 33(2)(c)(ix)(b)

107 (1) Part 2 of Schedule 1 (index of defined expressions) is amended as follows.

(2) Omit the entry for “life assurance business”.

(3) Insert the following entries at the appropriate places—

“basic life assurance and general annuity business	sections 57 and 67(5) of FA 2012 (as applied by section 141(2) of that Act)”
“I - E rules	section 70(1) and (2) of FA 2012 (as applied by section 141(2) of that Act)”
“insurance company	section 65 of FA 2012 (as applied by section 141(2) of that Act)”
“long-term business	section 63(1) of FA 2012 (as applied by section 141(2) of that Act)”
“non-BLAGAB long-term business	sections 66 and 67 of FA 2012 (as applied by section 141(2) of that Act)”

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