



# Finance Act 2012

## 2012 CHAPTER 14

### PART 2

#### INSURANCE COMPANIES CARRYING ON LONG-TERM BUSINESS

### CHAPTER 10

#### TRANSFERS OF LONG-TERM BUSINESS

#### *Transfers of long-term business: anti-avoidance*

### 133 Clearance procedure

- (1) Section 132 does not apply if, on an application by C, HMRC Commissioners give a notice under this section stating that they are satisfied—
  - (a) that C's main purpose in entering into the arrangements included in the insurance business transfer arrangements is not an unallowable purpose or none of C's main purposes in entering into those arrangements is an unallowable purpose, or
  - (b) that the transferor and the transferee are members of the same group of companies when the transfer occurs and that the transfer produces no tax advantage for the group.
- (2) For this purpose the transfer produces no tax advantage for the group if—
  - (a) as a result of the insurance business transfer arrangements, there is an increase in the liability to corporation tax of one or more companies which are members of the group, and
  - (b) the amount (or total amount) of that increase is at least equal to the amount (or total amount) of the reduction in the liability to corporation tax of the transferor or the transferee that arises as a result of those arrangements.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2012, Section 133.