



Finance Act 2012

2012 CHAPTER 14

PART 2

INSURANCE COMPANIES CARRYING ON LONG-TERM BUSINESS

CHAPTER 3

THE I - E BASIS

Definitions of expressions comprising "E"

80 Section 79: meaning of "acquisition expenses"

- (1) This section explains for the purposes of section 79 what is meant by "acquisition expenses".
- (2) The following are "acquisition expenses"—
 - (a) commissions (however described) other than commissions for persons who collect premiums from house to house,
 - (b) any other expenses payable solely for the purpose of the acquisition of business, and
 - (c) so much of any other expenses payable partly for that purpose, and partly for other purposes, as are properly attributable to the acquisition of business.
- (3) The exclusion from paragraph (a) of subsection (2) of commissions for persons who collect premiums from house to house does not prevent their counting as expenses under another paragraph of that subsection.
- (4) For the purposes of that subsection "the acquisition of business" includes—
 - (a) the securing of the payment of increased or additional premiums in respect of a policy of insurance issued in respect of an insurance already made, and
 - (b) the securing of the payment of increased or additional consideration in respect of an annuity contract already made.