Finance Act 2012

2012 CHAPTER 14

PART 2

INSURANCE COMPANIES CARRYING ON LONG-TERM BUSINESS

CHAPTER 3

THE I - E BASIS

Minimum profits charge

93 Minimum profits test

(1) This section applies if an insurance company has a BLAGAB trade profit for an accounting period.

(2) A comparison must be made between—

(a) the I - E profit or excess BLAGAB expenses for the accounting period, and

(b) the BLAGAB trade profit for the accounting period,

adjusted as need be in accordance with sections 94**[**[F1], 124, 124A and 124C**]**.

(3) In making the calculation required by subsection (2)(a), it is to be assumed that this Chapter has effect with the omission of subsection (5)(a) (but, apart from that, all the other rules in this Chapter have effect for the purposes of that calculation).

(4) If there are excess BLAGAB expenses for the accounting period, the amount of the excess is treated for the purposes of this section as a negative figure equal to that amount.

(5) If, for the accounting period, the adjusted BLAGAB trade profit exceeds the adjusted I - E profit or excess BLAGAB expenses—

(a) an amount equal to the difference is an I - E receipt of the company for the accounting period (see section 73), and

(b) the same amount is carried forward to the company's next accounting period as an expense (see section 76).

[[F2](6) For the purposes of this section, assume that non-BLAGAB allowable losses cannot be deducted to any extent from BLAGAB chargeable gains (and, accordingly, assume that section 95 is not included in this Act).**]**

Textual Amendments

F1 Words in s. 93(2) substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 4 para. 185**

F2 S. 93(6) inserted (1.4.2020 in relation to accounting periods beginning on or after that date) by Finance Act 2020 (c. 14), **Sch. 4 paras. 41**, 42 (with Sch. 4 paras. 43-46)

Changes to legislation:
There are currently no known outstanding effects for the Finance Act 2012, Section 93.