
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which have effect for the year of assessment 1986–87 only, provide for the assessment and collection of tax charged on underwriting members of Lloyd’s in accordance with Schedule 16 to the Finance Act 1973 (“Schedule 16”) (so far as not provided for by Schedule 16A to that Act) (“Schedule 16A”). They also provide for the determination in certain circumstances of the person who is an agent in relation to a syndicate of underwriting members of Lloyd’s for the purposes of Schedule 16A and these Regulations.

Regulation 1 provides for citation, commencement and effect, and regulation 2 contains definitions.

Regulation 3 applies provisions corresponding to provisions in the Taxes Acts to the assessment and collection of tax charged in accordance with Schedule 16, with certain modifications.

Regulation 4 provides dates on or before which tax charged by an assessment on underwriting profits and tax charged by an assessment on syndicate gains is payable.

Regulation 5(1) and (2), respectively, provide that any investment income which has suffered tax by way of deduction, and the amount of any tax credit included in the aggregate amount of any such income, shall be set against the amount payable under paragraph 3(1)(a) of Schedule 16, and regulation 5(3) makes provision in relation to building society interest and dividends to which the Income Tax (Building Societies) Regulations 1986 apply.

Regulation 6 provides for the repayment of tax to an agent and for the giving to him of tax credit.

Regulation 7 provides that in the circumstances there specified an agent shall be deemed not to have failed to comply with paragraph 2(2) or 7(3) of Schedule 16A.

Regulation 8 provides that section 113(1B) and (3) and 114(2) of the Taxes Management Act 1970 shall apply to a determination or notice of a determination under Schedule 16A.

Regulation 9 provides for the giving of relief if a determination is alleged to be excessive because of an error or mistake in a return.

Regulation 10 adds to the definition of “agent” contained in paragraph 1(1) of Schedule 16A.

Authority for the retrospective effect of these Regulations is given by paragraph 17(1A) of Schedule 16 and paragraph 1(3) of Schedule 16A.