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STATUTORY INSTRUMENTS

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**1995 No. 351**

**The Lloyd's Underwriters (Tax) Regulations 1995**

*Assessment and collection of tax*

**Assessment and collection – general**

4. Subject to regulations 5 to 8 below and regulations 6 to 12, 14 and 15 of the Lloyd's Underwriters (Tax) (1992–93 to 1996–97) Regulations 1995(1), the like provisions as are contained in the Management Act and the Tax Acts relating to the assessment and collection of tax shall have effect in relation to tax charged in accordance with section 171 of the Finance Act 1993(2) or, as the case may be, section 219 of the Finance Act 1994.

**Amount payable under stop-loss insurance – individual member**

5.—(1) This regulation applies where—

- (a) any insurance money payable to a member under a stop-loss insurance in respect of a loss in his underwriting business, or any amount payable to a member out of the High Level Stop Loss Fund in respect of such a loss, falls to be treated by virtue of section 178(2) of the Finance Act 1993(3) as a trading receipt in computing the profits arising from the business for the year of assessment which corresponds to the underwriting year in which the loss arose or, as respects an amount payable in respect of a loss declared in the underwriting year 1997 or a subsequent underwriting year, the underwriting year in which the loss was declared;
- (b) the amount so treated operates to reduce or extinguish the amount of the loss sustained by the member in his underwriting business for that year of assessment;
- (c) section 178(3) of the Finance Act 1993 does not apply as respects the payment of that amount; and
- (d) the inspector is precluded—
  - (i) by section 34 of the Management Act(4) from making an assessment under section 29(3)(c) of that Act or, as respects the year 1996–97 and subsequent years of assessment, section 29(1)(c) of that Act(5), in respect of the whole or any part of that amount, or
  - (ii) by section 30(5) of the Management Act(6) from making an assessment under that section in respect of the whole or any part of that amount.

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(1) [S.I. 1995/352](#).

(2) Section 171 as amended by paragraph 1 of Schedule 21 and Part V(25) of Schedule 26 to the Finance Act 1994.

(3) Section 178(2) was amended by paragraph 5 of Schedule 21 to the Finance Act 1994 as respects insurance money and other amounts payable in respect of losses declared in the underwriting year 1997 or subsequent underwriting years.

(4) Section 34 was amended by paragraph 10 of Schedule 19 to the Finance Act 1994 with effect from the year 1996–97.

(5) Section 29 was substituted by section 191 of the Finance Act 1994 with effect from the year 1996–97, but in relation to a partnership whose trade, profession or business was set up and commenced before 6th April 1994, with effect from the year 1997–98.

(6) Section 30 was substituted by section 149(1) of the Finance Act 1982 (c. 39), and the section as substituted was amended by section 88(1) to (4) of the Finance (No. 2) Act 1987 (c. 51), paragraphs 10(3) and 32 of Schedule 29 to the Income and Corporation Taxes Act 1988, section 149(3)(a) of the Finance Act 1989 (c. 26), section 105 of the Finance Act 1990 (c. 29),

(2) An assessment under section 29(3)(c) or, as the case may be, section 29(1)(c) or 30 of the Management Act in respect of the whole or any part of that amount shall not be out of time if made before the end of the underwriting year following the underwriting year following the underwriting year in which the amount was received.

#### **Amount payable under stop-loss insurance – corporate member**

6.—(1) This regulation applies where—

- (a) any insurance money is payable to a corporate member under a stop-loss insurance in respect of a loss in its underwriting business, and the insurance money or, as the case may be, the apportioned part of the insurance money falls to be treated by virtue of section 225(2) of the Finance Act 1994 as a trading receipt in computing the profits arising from the business for an accounting period;
- (b) the amount so treated operates to reduce or extinguish the amount of the loss sustained by the corporate member in its underwriting business for that accounting period;
- (c) section 225(3) of the Finance Act 1994 does not apply as respects the payment of the insurance money; and
- (d) the inspector is precluded—
  - (i) by section 34 of the Management Act from making an assessment under section 29(3)(c) of that Act or, as respects an accounting period ending on or after such day as is appointed under section 199(3) of the Finance Act 1994(7), section 29(1)(c) of the Management Act, in respect of the whole or any part of the amount so treated, or
  - (ii) by section 30(5) of the Management Act from making an assessment under that section in respect of the whole or any part of that amount.

(2) An assessment under section 29(3)(c) or, as the case may be, section 29(1)(c) or 30 of the Management Act in respect of the whole or any part of that amount shall not be out of time if made before the end of the underwriting year following the underwriting year in which the amount was received.

#### **Non-delivery of return – reasonable excuse**

7.—(1) For the purposes of Schedule 19, a managing agent shall be deemed not to have failed—

- (a) to deliver a return of a syndicate profit or loss within the time specified in paragraph 2(2) of that Schedule, or
- (b) to deliver a return apportioning a syndicate profit or loss within the period referred to in paragraph 6(4) of that Schedule,

if he delivered it within such further time, if any, as the inspector may have allowed.

(2) Where a managing agent had a reasonable excuse for not delivering such a return as is mentioned in paragraph (1) above, he shall be deemed not to have failed to deliver it unless the excuse had ceased and, after the excuse ceased, not to have failed to deliver it if he did so without unreasonable delay after the excuse had ceased.

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paragraph 2(6) of Schedule 10 to the Taxation of Chargeable Gains Act 1992 (c. 12) and, with effect from the year 1996–97, paragraph 4 of Schedule 19 to the Finance Act 1994.

(7) On the day these Regulations are made, no such day has yet been appointed.

### **Determinations and notices of determinations**

**8.** The like provisions as are contained in section 113(1B) of the Management Act<sup>(8)</sup> shall apply to a determination or a notice of a determination under Schedule 19 as if the determination were an assessment and the notice of the determination were a notice of an assessment.

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<sup>(8)</sup> Section 113(1B) was inserted by paragraph 10 of Schedule 4 to the Finance Act 1970 (c. 24).