
STATUTORY INSTRUMENTS

1997 No. 2865

INCOME TAX

**The Insurance Companies (Pension Business)
(Transitional Provisions) (Amendment) Regulations 1997**

Made - - - - 3rd December 1997
Laid before the House of
Commons - - - - 3rd December 1997
Coming into force - - 31st December 1997

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by paragraph 4(1), (4) and (6) of Schedule 19AB to the Income and Corporation Taxes Act 1988(1), hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Insurance Companies (Pension Business) (Transitional Provisions) (Amendment) Regulations 1997 and shall come into force on 31st December 1997.

Interpretation

2. In these Regulations “the principal Regulations” means the Insurance Companies (Pension Business) (Transitional Provisions) Regulations 1992(2) and “regulation” means a regulation of the principal Regulations.

Amendments to the principal Regulations

3. In regulation 4—

- (a) in paragraph (1) for the words from “accounting period” to the end there shall be substituted the words “of the accounting periods specified in paragraphs (2) to (5) (being accounting periods ending after the opening transitional date and before the closing transitional date) shall be reduced”;
- (b) for paragraph (5) there shall be substituted the following paragraph—

(1) 1988 c. 1; Schedule 19AB was inserted by section 49 of, and Schedule 8 to, the Finance Act 1991 (c. 31) with effect in relation to accounting periods of insurance companies beginning on or after 2nd October 1992 by virtue of S.I. 1992/1746 (C.58).
(2) S.I. 1992/2326, amended by S.I. 1993/3109, 1994/3036, 1995/3134 and 1996/1.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

“(5) The prescribed percentage is 7.5 per cent. for an accounting period ending after 31st December 1995 and before 1st January 1998.”

4. In regulation 5 for the words “ending after the opening transitional date and before the closing transitional date” there shall be substituted the words “specified in regulation 4”.

5. In regulation 6(1) for the words from “In any case” to “relates” there shall be substituted the words “Where in relation to a provisional repayment period falling within an accounting period specified in regulation 4 an insurance company claims, and is paid, by way of provisional repayment an amount in excess of the maximum reduced entitlement for that period”.

C W Corlett
G H Bush

3rd December 1997

Two of the Commissioners of Inland Revenue

EXPLANATORY NOTE

(This note is not part of the Regulations)

Schedule 19AB to the Income and Corporation Taxes Act 1988 (“Schedule 19AB”) provides that insurance companies carrying on pension business shall be entitled to provisional repayments of tax on pension business investment income. However, paragraph 4 of Schedule 19AB provides that during a transitional period, the Commissioners of Inland Revenue may make provision, by regulations, for the amount of a provisional repayment to be reduced by a prescribed percentage for any accounting period ending during that transitional period. The regulations may prescribe different percentages for accounting periods ending after different dates falling within the transitional period. The transitional period is defined as beginning with accounting periods ending after the date specified in the regulations as “the opening transitional date” and ending with accounting periods ending before the date specified in the regulations as “the closing transitional date”.

The Insurance Companies (Pension Business) (Transitional Provisions) Regulations 1992 (S.I.1992/2326) (“the principal Regulations”) specify the opening transitional date as 2nd October 1992 and the closing transitional date as 1st January 1999 and, as amended by S.I. 1993/3109, 1994/3036 and 1995/3134, prescribe different percentages for accounting periods ending after different dates falling within the transitional period.

These Regulations further amend the principal Regulations by prescribing 7.5 per cent. as the appropriate percentage for any accounting period ending after 31st December 1995 and before 1st January 1998. As a consequence, provisional repayments falling within accounting periods ending after 31st December 1997 and before 1st January 1999 are not (as the principal Regulations stand at present) subject to any percentage reduction.