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STATUTORY INSTRUMENTS

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**1998 No. 1200**

**INCOME TAX**

**The Insurance Companies (Loan Relationships)  
(Election for Accruals Basis) Order 1998**

<i>Made</i>	- - - -	<i>8th May 1998</i>
<i>Laid before the House of Commons</i>	- - - -	<i>11th May 1998</i>
<i>Coming into force</i>	- -	<i>1st June 1998</i>

The Treasury, in exercise of the powers conferred on them by paragraph 5(7) of Schedule 11 to the Finance Act 1996<sup>(1)</sup>, hereby make the following Order:

1. This Order may be cited as the Insurance Companies (Loan Relationships) (Election for Accruals Basis) Order 1998 and shall come into force on 1st June 1998.

2. In paragraph 5(6) of Schedule 11 to the Finance Act 1996 for “31st March 1998” there shall be substituted “31st March 1999”.

8th May 1998

*Jim Dowd*  
*John McFall*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

**Status:** This is the original version (as it was originally made).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

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## **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order amends paragraph 5(6) of Schedule 11 to the Finance Act 1996 so as to extend the period during which companies that carry on life assurance and other long term insurance business may elect to use an accruals basis of accounting in order to determine what amounts should be brought into account in respect of income from, and changes in value of, certain debt securities and similar assets that are held for the purposes of that business. The period is extended so as to cover accounting periods of insurance companies ending before 1st April 1999.