

1999 No. 1643

INCOME TAX

**The Insurance Companies (Loan Relationships) (Election for
Accruals Basis) Order 1999**

<i>Made - - - -</i>	<i>11th June 1999</i>
<i>Laid before the House of Commons</i>	<i>11th June 1999</i>
<i>Coming into force</i>	<i>2nd July 1999</i>

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

1. This Order may be cited as the Insurance Companies (Loan Relationships) (Election for Accruals Basis) Order 1999 and shall come into force on 2nd July 1999.

2. In paragraph 5(6) of Schedule 11 to the Finance Act 1996(b) (election for accruals basis for long term business assets) for “31st March 1999” there shall be substituted “31st March 2000”.

11th June 1999

Jim Dowd
David Jamieson
Two of the Lords Commissioners of Her Majesty’s Treasury

(a) 1996 c. 8.

(b) Paragraph 5(6) was amended by S.I. 1998/1200.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends paragraph 5(6) of Schedule 11 to the Finance Act 1996 (loan relationships—special provision for insurers) 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 was previously extended by S.I. 1998/1200 so as to cover accounting periods of insurance companies ending before 1st April 1999, and this Order further extends the period so as to cover accounting periods of insurance companies ending before 1st April 2000.

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