

SCHEDULE

Regulation 12(1)(c)

PART I INTERPRETATION

1. In this Schedule—

“basic rate limit” has the meaning given by section 1(3)(1) of the Taxes Act;

“financial year” means a period of twelve months beginning with 1st April;

“gain” means a gain which is treated as arising in connection with a policy or contract under section 541(2), 543 or 545 of the Taxes Act;

“inspector” means any inspector of taxes or other officer of the Board;

“year of assessment” means a period of twelve months beginning with 6th April.

2. For the purposes of this Schedule a year of assessment corresponds to the financial year which ends in that year of assessment.

PART II UNDERTAKING BY OVERSEAS INSURER – PRE 6TH APRIL 2000 INSURANCES

3. The terms of the undertaking referred to in regulation 12(1)(c)(i) are that the overseas insurer undertakes, within three months after the end of each year of assessment, or where the policy holder is a company each financial year, to supply to the inspector the information referred to in paragraph 6 about relevant events occurring in that year of assessment or financial year in connection with a policy or contract held by a policy holder where to the best of the overseas insurer’s information and belief the policy holder was resident in the United Kingdom immediately before the relevant event occurred.

4. For the purposes of this undertaking a relevant event is a chargeable event within the meaning of Chapter II of Part XIII of the Taxes Act—

(a) in respect of which an insurer is under an obligation to deliver a certificate under section 552(3) of the Taxes Act;

(b) which occurs three months or more after section 552A first applies to the overseas insurer;

(c) which is the last such event to occur in relation to the policy or contract;

(d) by reason of which the aggregate sum payable, or other benefits to be conferred, by the overseas insurer exceeds twice the basic rate limit for—

(i) the year of assessment in which it occurs, or

(ii) where the policy holder is a company, the year of assessment corresponding to the financial year in which it occurs.

5. In determining whether the aggregate sum payable, or other benefits to be conferred, by reason of a relevant event exceeds twice the basic rate limit for the year of assessment in which it occurs, or for the year of assessment corresponding to the financial year in which it occurs, as the case may be, all sums payable and benefits to be conferred are to be taken into account which are payable or

(1) Section 1(3) was amended by Part IV of Schedule 14 to the Finance Act 1988 (c. 39).

(2) Section 541 was amended by Schedule 9 to the Finance Act 1989 (c. 26).

(3) Section 552 was amended by Schedule 9 to the Finance Act 1989 and section 57(1) and (2) of the Finance Act 1995 (c. 4).

to be conferred by reason of relevant events occurring in that year of assessment or that financial year in connection with policies or contracts—

- (a) under which immediately before the relevant event in question the same insurer has obligations, and
 - (b) which are held by the same policy holder.
6. The information referred to in this paragraph is—
- (a) the name and address of the policy holder;
 - (b) any unique identifying designation given to the policy or contract in connection with which a relevant event has occurred;
 - (c) the date and nature of each such relevant event;
 - (d) the aggregate of the sums payable, or other benefits to be conferred, as a result of all such relevant events.

PART III

UNDERTAKING BY OVERSEAS INSURER – POST 5TH APRIL 2000 INSURANCES

7. The terms of the undertaking referred to in regulation 12(1)(c)(ii) are that the overseas insurer undertakes—

- (a) within three months after a relevant event occurs in connection with a policy or contract, to deliver to the policy holder a certificate containing the information referred to in paragraph 10; and
- (b) within three months after the end of each year of assessment, or where the policy holder is a company each financial year, in which such a certificate is delivered, and in the circumstances described in paragraph 9, to supply to the inspector a copy of that certificate;

where to the best of the overseas insurer's information and belief the policy holder was resident in the United Kingdom immediately before the relevant event occurred.

8. For the purposes of this undertaking a relevant event is a chargeable event within the meaning of Chapter II of Part XIII of the Taxes Act in respect of which an insurer is under an obligation to deliver a certificate under section 552 of the Taxes Act.

9. The circumstances described in this paragraph are where the aggregate amount of connected gains in the year of assessment or financial year exceeds one half of the basic rate limit for that year of assessment or for the year of assessment corresponding to that financial year and, for the purposes of this paragraph, a gain is connected with another gain where—

- (a) both gains arise in connection with policies or contracts containing obligations which, immediately before the relevant event in question, were obligations of the same overseas insurer;
- (b) the policy holder of those policies and contracts is the same; and
- (c) both gains arise in the same year of assessment or, where the policy holder is a company, the same financial year.

10. The information referred to in this paragraph is—

- (a) the name and address of the policy holder;
- (b) any unique identifying designation given to the policy or contract in connection with which the relevant event has occurred;

- (c) the date and nature of the relevant event;
- (d) the amount of the gain;
- (e) the number of years relevant for computing the appropriate fraction of the gain for the purposes of section 550(3) of the Taxes Act⁽⁴⁾;
- (f) whether the policy holder is to be treated as having paid income tax at the basic rate on the amount of the gain in accordance with section 547(5)(a) of the Taxes Act.

(4) Section 550(3) was amended by section 19(2) of the Finance (No. 2) Act 1992 (c. 48).