
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends provisions of the Income and Corporation Taxes Act 1988 (c. 1) (“the Act”). The amendments are to Schedule 19AA to the Act (overseas life assurance fund) (“the Schedule”) which has effect for determining the assets of a company which are the assets of its overseas life assurance fund. The amendments are in consequence of amendments to section 432A of the Act made by section 109 of the Finance Act 2000 (c. 17) and the need to take account of the changing tax treatments of the categories of assets listed in paragraph 5(5) of the Schedule.

Article 1 provides for citation, commencement and effect, and Article 2 for interpretation.

Article 3 amends paragraph 4 of the Schedule. Sub-paragraph (2) of that paragraph is amended so as to reflect the new wording of section 432A(8) of the Act. Sub-paragraph (1) of that paragraph is amended also so as to ensure that, in determining the amount mentioned in that paragraph, the appropriate part of liabilities which represent a money debt within the meaning of section 432A(9B) is taken into account.

Article 4 amends paragraph 5 of the Schedule so as to vary the order in which categories of assets are designated for the purposes of paragraph 3 of the Schedule.

Article 5 amends paragraph 6 of the Schedule (treated as inserted by paragraph 14A of Schedule 19AC to the Act (modification of Act in relation to overseas life insurance companies)) in consequence of the amendments made by Article 4 to paragraph 4 of the Schedule.

Article 6 provides for consequential revocations and a consequential repeal.