
STATUTORY INSTRUMENTS

2001 No. 3629

**The Financial Services and Markets Act 2000
(Consequential Amendments) (Taxes) Order 2001**

PART 2

AMENDMENTS TO PRIMARY LEGISLATION

The Finance Act 1997 (c. 16)

Introduction

97. Amend the Finance Act 1997 in accordance with Articles 98 to 102.

Payments under certain life insurance policies

98.—(1) Amend section 79 (payments under certain life insurance policies) as follows.

(2) In subsection (5) for paragraph (a) substitute—

“(a) is a contract which falls within paragraph I or III of Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;”.

(3) In subsection (6) for the words from “of a” to the end substitute “which falls within Part I or II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 other than a contract which falls within paragraph I or III of Part II of that Schedule.”.

Stamp duty: mergers of authorised unit trusts

99.—(1) In section 95(4) (mergers of authorised unit trusts) in the definition of “authorised unit trust” for “78 of the Financial Services Act 1986” substitute “243 of the Financial Services and Markets Act 2000”.

(2) This Article has effect in relation to any instrument executed on or after 1st December 2001.

Stamp duty: demutualisation of insurance companies

100.—(1) Amend section 96 (demutualisation of insurance companies) as follows.

(2) In subsection (7) for paragraphs (a) and (b) substitute—

“(a) a transfer from a company to another person of business consisting of the effecting or carrying out of contracts of insurance which is effected under an insurance business transfer scheme; or

(b) a transfer of the whole or any part of the business of a general insurance company carried on through a branch or agency in the United Kingdom which takes place in accordance with any authorisation granted outside the United Kingdom for the purposes of—

(i) Article 11 of the third life assurance directive; or

(ii) Article 12 of the third non-life insurance directive.”.

(3) In subsection (8)—

(a) before the definition of “employee” insert—

““contract of insurance” has the meaning given by Article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;”;

(b) for the definition of “insurance company” substitute—

““general insurance company” means a company which has permission under Part 4 of the Financial Services and Markets Act 2000 or under paragraph 15 of Schedule 3 to that Act (as a result of qualifying for authorisation under paragraph 12(1) of that Schedule) to effect or carry out contracts of insurance;

“insurance business transfer scheme” has the same meaning as in Part 7 of the Financial Services and Markets Act 2000;

“insurance company” means a company which carries on the business of effecting or carrying out contracts of insurance;”;

(c) after the definition of “mutual insurance company” insert—

““the third life insurance directive” means the Council Directive of 10th November 1992 on the co-ordination of laws, regulations and administrative provisions relating to direct life assurance and amending Directives 79/267/EEC and 90/619/EEC (No.92/96/EEC);

“the third non-life insurance directive” means the Council Directive of 18th June 1992 on the co-ordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance and amending Directives 73/239/EEC and 88/357/EEC (NO. 92/49/EEC)(1);”.

(4) This Article has effect in relation to any instrument executed on or after 1st December 2001 which effects a transfer—

(a) under a scheme falling within section 105 of the Financial Services and Markets Act 2000, including an excluded scheme falling within Case 2, 3 or 4 of subsections (3) of that section; or

(b) in relation to which section 116 of the Financial Services and Markets Act 2000 applies.

Stamp duty reserve tax: mergers of authorised unit trusts

101.—(1) In section 100(4) (mergers of authorised unit trusts) in the definition of “authorised unit trust” for “78 of the Financial Services Act 1986” substitute “243 of the Financial Services and Markets Act 2000”.

(2) This Article has effect in relation to—

(a) an agreement to transfer chargeable securities which is not conditional, if the agreement is made on or after 1st December 2001;

(b) a conditional agreement to transfer such securities, if the condition is satisfied on or after that date.

Leasing arrangements—finance leases and loans

102.—(1) Amend Schedule 12 (leasing arrangements—finance leases and loans) as follows.

(2) In paragraph 18—

(1) O.J. No. L228, 11.08.1992, pp. 1-23.

- (a) for the words from “Part II” to “rules)” substitute “the rules contained in Chapter 9 of the Prudential Sourcebook (Insurers)”;
- (b) renumber the existing provision (as amended by sub-paragraph (a)) as sub-paragraph (1) and after that sub-paragraph insert—
 - “(2) In sub-paragraph (1) above “the Prudential Sourcebook (Insurers)” means the Interim Prudential Sourcebook for Insurers made by the Financial Services Authority under the Financial Services and Markets Act 2000.”.
- (3) In paragraph 19—
 - (a) in sub-paragraphs (2), (3) and (4)(b) for “long term business” substitute “long-term insurance”;
 - (b) in sub-paragraph (4)(c) for “long term” substitute “long-term”.
- (4) The amendments made by paragraph (2) above have effect in relation to periods of account ending on or after 1st December 2001.