

**2008 No. 1906**

**CORPORATION TAX**

**The Insurance Companies (Calculation of Profits: Policy Holders' Tax) (Amendment) Regulations 2008**

<i>Made</i> - - - -	<i>17th July 2008</i>
<i>Laid before the House of Commons</i>	<i>18th July 2008</i>
<i>Coming into force</i> - -	<i>8th August 2008</i>

The Treasury make the following Regulations in exercise of the powers conferred by section 82A of the Finance Act 1989(a).

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Insurance Companies (Calculation of Profits: Policy Holders' Tax) (Amendment) Regulations 2008 and shall come into force on 8th August 2008.

(2) These Regulations shall have effect in relation to periods of account beginning on or after 1st January 2008 and ending on or after these Regulations come into force.

**Amendment of the Insurance Companies (Calculation of Profits: Policy Holders' Tax) Regulations 2003**

2.—(1) The Insurance Companies (Calculation of Profits: Policy Holders' Tax) Regulations 2003(b) are amended as follows.

(2) In regulation 4 in sub-paragraph (b) for “or 4” substitute “, 4 or 5”.

*Claire Ward*  
*Dave Watts*

17th July 2008

Two of the Lords Commissioners of Her Majesty's Treasury

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(a) c. 26. Section 82A was inserted by section 170 of, and paragraph 1 of Schedule 33 to, the Finance Act 1993 (c. 14).  
(b) S.I. 2003/2082.

## EXPLANATORY NOTE

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

The Insurance Companies (Calculation of Profits: Policy Holders' Tax) Regulations 2003 ("the principal Regulations") make provision for the purposes of section 82A of the Finance Act 1989 (c. 26) for a deduction for tax expended on behalf of policy holders or annuitants in computing the profits of an insurance company in respect of its life assurance business under Case 1 of Schedule D of the Income and Corporation Taxes Act 1988 (c. 1). These Regulations amend the principal Regulations.

The basis on which the deduction is permitted under the principal Regulations includes cases where an insurance company is the transferee of life assurance business under a "insurance business transfer scheme" within the meaning of section 105 of the Financial Services and Markets Act 2000 (c. 8). The Reinsurance Directive Regulations 2007 (S.I.2007/3253) amend section 105 to include an additional case. The amendment made by these Regulations is consequential.

Regulation 1 provides for citation, commencement and effect. Authority for the Regulations having effect in relation to periods of account which began on or after 1st January 2008 and which end on a date on or after the Regulations come into force is contained in section 82A(3)(b) of the Finance Act 1989.

Regulation 2 amends regulation 4 of the principal Regulations by inserting the additional case.

A full and final Impact Assessment has not been produced for this instrument as a negligible impact on the private or voluntary sectors is foreseen.

£3.00

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E2811 7/2008 182811T 19585

