

EXPLANATORY MEMORANDUM TO
THE INSURANCE PREMIUM TAX (AMENDMENT) REGULATIONS 2008

2008 No. 1945

1. 1.1 This explanatory memorandum has been prepared by HM Revenue and Customs and is laid before the House of Commons by Command of Her Majesty.

1.2 This memorandum contains information for the Select Committee on Statutory Instruments.
2. **Description**
 - 2.1 These Regulations amend the Insurance Premium Tax Regulations 1994 (S.I. 1994/1774) (“the principal Regulations”).
 - 2.2 Regulation 3 omits regulations 29 to 31 (tax representatives) of the principal Regulations.
 - 2.3 Regulation 4 amends regulation 33 (liability of insured persons: scope) of the principal Regulations. It removes the reference to a tax representative and adds a new condition relating to where the insurer is established and whether satisfactory mutual assistance arrangements have been put in place.
 - 2.4 The Committee is respectfully referred to the explanatory note to the Regulations for the specific detail.
3. **Matters of special interest to the Select Committee on Statutory Instruments**

None.
4. **Legislative Background**
 - 4.1 These Regulations have been made by the Commissioners of Revenue and Customs in exercise of their powers under sections 53(6), 65(1) and 74(8) of the Finance Act 1994.
 - 4.2 Section 53(6) allows the Commissioners to make regulations in relation to, inter alia, notification of registration.
 - 4.3 Section 65(1) allows the Commissioners to make regulations in relation to cases where an insurer does not have a business establishment or other fixed establishment in the UK and is established in a country or territory which is outside the EU and has not entered into satisfactory mutual assistance arrangements with the UK.

4.4 Section 74(8) provides that regulations may include such supplementary, incidental, consequential or transitional provisions as appear to the Commissioners to be necessary or expedient.

5. Extent

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 Section 142 of the Finance Act 2008 (c.9) omits sections 57 and 58 (tax representatives) of the Finance Act 1994. Regulation 3 makes consequential amendments to the principal Regulations to omit the regulations relating to tax representatives (regulations 29 to 31) which were made under the now omitted vires.

7.2 Section 143 of the Finance Act 2008 (c.9) amends section 65 (liability of insured in certain cases) of the Finance Act 1994 by removing the reference to tax representatives and adding a new condition relating to where the overseas insurer is established and whether satisfactory mutual assistance provisions have been put in place. Regulation 4 implements these changes by amending regulation 33 (liability of insured persons: scope) to reflect the revised wording of section 65.

7.3 Regulation 5 substitutes a new IPT Application for Registration form for the one numbered form 1 in the Schedule to the principal Regulations. This reflects the changes made in section 142 of the Finance Act 2008 (c.9) relating to tax representatives.

8. Impact

8.1 A full Impact Assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

8.2 The impact on the public sector is nil.

9. Contacts

Barbara Farndell at HM Revenue and Customs Tel: 0207 147 0245 or e-mail: barbara.farndell@hmrc.gsi.gov.uk can answer any queries regarding these Regulations.