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STATUTORY INSTRUMENTS

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**2014 No. 2856**

**INSURANCE PREMIUM TAX**

**The Insurance Premium Tax (Non-taxable Insurance Contracts) Order 2014**

*Approved by the House of Commons*

<i>Made</i>	- - - -	<i>27th October 2014</i>
<i>Laid before the House of Commons</i>	- - - -	<i>27th October 2014</i>
<i>Coming into force</i>	- -	<i>1st December 2014</i>

The Treasury make the following Order in exercise of the powers conferred by section 71 of the Finance Act 1994(1).

**Citation and commencement**

1. This Order may be cited as the Insurance Premium Tax (Non-taxable Insurance Contracts) Order 2014 and comes into force on 1st December 2014.

**Amendments to Schedule 7A to the Finance Act 1994**

2. In Part 1 (descriptions of contract) of Schedule 7A (insurance premium tax: contracts that are not taxable) to the Finance Act 1994(2), after paragraph 7 insert—

**“Contracts relating to spacecraft**

7A.—(1) A contract falls within this paragraph if it relates only to the operation of a spacecraft and is a contract of general insurance of a relevant class.

(2) For the purposes of this paragraph, a contract of general insurance is of a relevant class if it insures against risks arising from or in relation to—

- (a) accidents,
- (b) goods in transit,
- (c) fire or natural forces,
- (d) damage to, or loss or malfunction of, property, or
- (e) general liability to third parties,

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(1) 1994 c. 9.

(2) Schedule 7A was inserted by S.I. 1994/1698; relevant amendments were made by S.I. 2001/3649.

(and no other risks).

(3) For the purposes of this paragraph—

- (a) the “operation of a spacecraft” means the launch, flight, orbit or re-entry of a spacecraft, and
- (b) “spacecraft” includes all component parts of its launch vehicle.”.

3. In Part 2 (interpretation) of that Schedule in paragraph 16A after “7,” insert “7A,”.

27th October 2014

*Harriet Baldwin*  
*David Evennett*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

## EXPLANATORY NOTE

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

Insurance Premium Tax ('IPT') is charged on premiums receivable under taxable insurance contracts. Specified contracts of insurance are exempted from IPT. Article 2 of this order provides for contracts that insure certain risks in respect of spacecraft to be exempt from IPT.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm> .