

*Status: Point in time view as at 27/07/1993.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Part II. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 19

#### LLOYD'S UNDERWRITERS: ASSESSMENT AND COLLECTION OF TAX

##### **Modifications etc. (not altering text)**

**C1** Sch. 19 extended (with modifications) (3.5.1994) by 1994 c. 9, s. 221(1) (subject to s. 221(2))

### PART II

#### PAYMENTS ON ACCOUNT OF TAX

##### *Preliminary*

- 9 In this Part of this Schedule “profit or loss”, in relation to a member and any person who is his members’ agent, means the aggregate amount of the profits or losses which, in the accounts of the syndicates of which he is a member and in relation to which that person is his members’ agent, are shown as arising to him, and “profit” and “loss” shall be construed accordingly.

##### *Returns by members’ agent*

- 10 (1) An inspector may, at any time after the end of the closing year for a year of assessment, by notice in writing to a members’ agent require him to deliver to the inspector, on or before the final day determined under sub-paragraph (4) below and as respects each member for whom he acts, a return of the member’s profit or loss for the year of assessment—
- (a) containing such information as may be required in pursuance of the notice, and
  - (b) accompanied by such statements and reports as may be so required, and
  - (c) in the case of a profit, containing a statement of the amount of tax which would be payable on that profit if income tax were payable on the whole of it at the basic rate in force for the year of assessment.
- (2) For the purposes of a return under sub-paragraph (1) above of a member’s profit, there shall be added to that profit—
- (a) any amount which in respect of the year of assessment is paid out of his special reserve fund;
  - (b) in the case of the year 1992-93, 40 per cent. of any relevant depreciation for the underwriting year 1992; and

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- (c) in the case of the year 1993-94, 15 per cent. of any relevant depreciation for the underwriting year 1993.
- (3) For the purposes of a return under sub-paragraph (1) above of a member's profit, there may be deducted from that profit—
- (a) any amount which in respect of the year of assessment is paid into his special reserve fund;
  - (b) any of the following which is or is intended to be claimed in his return for the year as being deductible from his profit, namely—
    - (i) any amount in respect of disbursements and expenses wholly and exclusively laid out for the purposes of his underwriting business, and
    - (ii) any amount which is so deductible by virtue of section 178(1) of this Act;
  - (c) in the case of the year 1992-93, 40 per cent. of any relevant appreciation for the underwriting year 1992; and
  - (d) in the case of the year 1993-94, 15 per cent. of any relevant appreciation for the underwriting year 1993.
- (4) In sub-paragraph (2) above “relevant depreciation”, in relation to the underwriting year 1992 or 1993, means any amount representing the depreciation in value for that year of assets forming part of a premiums trust fund of the member; and in sub-paragraph (3) above “relevant appreciation” shall be construed accordingly.
- (5) The final day for the delivery of any return required by a notice under sub-paragraph (1) above is whichever is the later of—
- (a) 1st October in the year of assessment following the closing year for the year of assessment; and
  - (b) the end of the period of three months beginning on the day following that on which the notice was served.
- (6) If a members' agent, having been required by a notice under sub-paragraph (1) above to deliver a return, fails to deliver the return on or before the final day for its delivery, he shall be liable to a penalty equal to the prescribed amount multiplied by the number of days on which the failure continues.
- (7) In sub-paragraph (6) above “the prescribed amount” means £60 for each fifty members for whom he acts and in respect of whom there is such a failure (counting any number of such members less than fifty, and any number left over, as fifty).
- (8) If a members' agent fraudulently or negligently delivers an incorrect return under sub-paragraph (1) above, he shall be liable to a penalty not exceeding £3,000 multiplied by the number of members for whom he acts and in respect of whose returns there is such fraud or negligence.
- (9) In relation to a return required by a notice under sub-paragraph (1) above—
- (a) any reference in sub-paragraph (1) or (5) above to the delivery of the return is a reference to its delivery together with the accompanying documents referred to in sub-paragraph (1) above; and
  - (b) the reference in sub-paragraph (8) above to the return being incorrect includes a reference to any of those documents being incorrect.

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**Modifications etc. (not altering text)**

- C1** Sch. 19 para. 10 modified (9.3.1995 with effect for the years of assessment 1992-93 and 1993-94 only) by S.I. 1995/352, reg. 11(1)(3)
- C2** Sch. 19 para. 10(1)(c) modified (9.3.1995 with effect for the years of assessment 1992-93 and 1993-94 only) by S.I. 1995/352, reg. 12(1)(6)

*Payments on account of tax*

- 11 (1) In the case of a member's profit for a year of assessment, his members' agent shall, on or before the 1st January next following the end of the closing year for that year, pay to the collector, on account of the member's liability to tax, the amount stated in his return for that year under paragraph 10(1)(c) above.
- (2) Where an amount is paid to the collector under sub-paragraph (1) above for a year of assessment, the following provisions shall apply as between the member and his members' agent—
- (a) where the amount so paid exceeds the amount deducted by the agent in accounting to the member for the member's profit, the amount of the excess shall be paid by the member to the agent; and
- (b) where the amount so paid is less than the amount deducted by the agent in accounting to the member for the member's profit, the amount of the excess shall be paid by the agent to the member.
- (3) Where an amount is paid to the collector under sub-paragraph (1) above for a year of assessment, the following provisions shall apply as respects the member's liability to tax for that year—
- (a) where the amount in which the member is charged to tax exceeds the amount so paid, the amount of the excess shall be the amount of tax due and payable; and
- (b) where that amount exceeds the amount in which the member is so charged, the amount of the excess shall be treated as tax overpaid.
- (4) Any amount which is payable under sub-paragraph (1) above shall carry interest at the rate applicable under section 178 of the <sup>M1</sup>Finance Act 1989 from the date when it becomes payable until payment, whether or not that date is a non-business day within the meaning of the <sup>M2</sup>Bills of Exchange Act 1882.
- (5) Section 90 of the Management Act shall apply for the purposes of this paragraph as it applies for the purposes of any provision of Part IX of that Act.

**Marginal Citations**

- M1** 1989 c. 26.  
**M2** 1882 c. 61.

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*Assessment on members’ agent*

- 12 (1) If a members’ agent delivers a return in accordance with paragraph 10 above but does not pay to the collector in accordance with paragraph 11 above the amount of tax stated in the return, the inspector may make an assessment on the agent in that amount whether or not it has been paid when the assessment is made.
- (2) If for a year of assessment the inspector is dissatisfied with a return under paragraph 10 above, or there is no such return, he may make an assessment on the members’ agent to the best of his judgment.
- (3) Any income tax due under an assessment made by virtue of sub-paragraph (1) or (2) above shall be treated for the purposes of interest on unpaid tax as having been payable at the time when it would have been payable if a correct return had been made.

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