

**Changes to legislation:** Finance Act 1994, SCHEDULE 7A is up to date with all changes known to be in force on or before 14 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 7A

#### INSURANCE PREMIUM TAX: CONTRACTS THAT ARE NOT TAXABLE

##### Textual Amendments

**F1** Sch. 7A inserted (1.10.1994) by [S.I. 1994/1698, art. 5](#)

### PART I

#### DESCRIPTIONS OF CONTRACT

##### *Contracts of reinsurance*

- 1 A contract falls within this paragraph if it is a contract of reinsurance.

##### *Contracts constituting long term business*

- 2 (1) [<sup>F2</sup>Subject to sub-paragraph (3) below, a contract falls]] within this paragraph [<sup>F3</sup>if it is exclusively a contract of long-term insurance.]

[<sup>F4</sup>(2) In deciding whether a contract is exclusively a contract of long-term insurance, as is mentioned in sub-paragraph (1) above, where—

- (a) the contract includes cover for risks relating to accident or sickness;
  - (b) the contract contains related and subsidiary provisions such that it might also be regarded as a contract of general insurance, but is treated as a contract of long-term insurance for the purposes of any relevant order made under section 22 of the Financial Services and Markets Act 2000; and
  - (c) the contract was not entered into after 30th November 1993,
- the inclusion of such cover shall be ignored.]

[<sup>F5</sup>(3) A contract which would otherwise fall within this paragraph does not do so if it is for medical insurance.

- (4) Subject to sub-paragraph (5) below, for the purposes of this paragraph a contract is a contract for medical insurance if it provides one or more of the following benefits, whether or not their provision is subject to conditions or limitations—

- (a) medical, dental or optical, consultation, diagnosis or treatment;
- (b) alternative or complementary medical treatment or therapy;
- (c) convalescent care;
- (d) goods or services related to any of the above;
- (e) payment or reimbursement of, or a grant towards, the whole or part of the cost of any of the above;

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- (f) payment of a specified sum for optical, dental or medical appointments;
  - (g) payment of a specified sum for each specified period of treatment as a hospital in-patient;
  - (h) payment of a specified sum for each specified period of convalescent care; or
  - (i) payment of a specified sum, except one to which sub-paragraph (6) below applies, when a person is diagnosed as requiring or has undergone a specified medical procedure.
- (5) A benefit which would apart from this sub-paragraph fall within sub-paragraph (4) above shall not do so if, before he can become entitled to the benefit, the insured is required—
- (a) to be suffering from a disability which so impairs his ability to carry out normal activities of daily living that he requires long term care, supervision or assistance; and
  - (b) to have been suffering from the disability for a continuous period of not less than 4 weeks.
- (6) This sub-paragraph applies to a payment of a specified sum if the contract under which it is payable provides that only one such payment in relation to each specified medical procedure will be made in respect of each person in relation to whom benefit is payable under the contract.]

#### Textual Amendments

- F2** Words in Sch. 7A para. 2(1) substituted (1.10.1997) by [S.I. 1997/1627, art. 2\(a\)](#)  
**F3** Words in Sch. 7A para. 2(1) substituted (1.12.2001) by [S.I. 2001/3649, arts. 1, 346\(2\)](#)  
**F4** Sch. 7A, para. 2(2) substituted (1.12.2001) by [S.I. 2001/3649, arts. 1, 346\(3\)](#)  
**F5** Sch. 7A para. 2(3)-(6) inserted (1.10.1997) by [S.I. 1997/1627, art. 2\(b\)](#)

#### *Contracts relating to motor vehicles for use by handicapped persons*

- 3 (1) A contract falls within this paragraph if it relates only to a motor vehicle and the conditions mentioned in sub-paragraph (2) below are satisfied.
- (2) The conditions referred to in sub-paragraph (1) above are that—
- (a) the vehicle is used, or intended for use, by a handicapped person in receipt of a disability living allowance [<sup>F6</sup>, or personal independence payment,] by virtue of entitlement to the mobility component [<sup>F7</sup>, or of an armed forces independence payment ]<sup>F8</sup>, or of a mobility supplement or of disability assistance for children and young people [<sup>F9</sup>, or disability assistance for working age people,] by virtue of entitlement to the mobility component];
  - (b) the insured lets such vehicles on hire to such persons in the course of a business consisting predominantly of the provision of motor vehicles to such persons; and
  - (c) the insured does not in the course of the business let such vehicles on hire to such persons on terms other than qualifying terms.
- (3) For the purposes of sub-paragraph (2)(c) above a vehicle is let on qualifying terms to a person (the lessee) if the consideration for the letting consists wholly or partly of sums paid to the insured by—
- [<sup>F10</sup>(a) the Department for Work and Pensions;]

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- (b) the Department of Health and Social Services for Northern Ireland;<sup>F11</sup>...
- (c) the Ministry of Defence [<sup>F12</sup>; or
- (d) the Scottish Ministers,]

on behalf of the lessee in respect of the disability living allowance [<sup>F13</sup>, personal independence payment, armed forces independence payment ][<sup>F14</sup>, mobility [<sup>F15</sup>supplement,] disability assistance for children and young people][<sup>F16</sup>or of disability assistance for working age people] to which the lessee is entitled.

(4) For the purposes of this paragraph—

- (a) “handicapped” means chronically sick or disabled;
- (b) “disability living allowance” means a disability living allowance within the meaning of section 71 of the Social Security Contributions and Benefits Act 1992 <sup>M1</sup> or section 71 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 <sup>M2</sup>;
- [<sup>F17</sup>(ba) personal independence payment” means a personal independence payment under Part 4 of the Welfare Reform Act 2012 or the corresponding provision having effect in Northern Ireland;
- (bb) “armed forces independence payment” means an armed forces independence payment under a scheme established under section 1 of the Armed Forces (Pensions and Contributions) Act 2004;]
- (c) “mobility supplement” means a mobility supplement within the meaning of article 26A of the Naval, Military and Air Forces etc. (Disablement and Death) Service Pensions Order 1983 <sup>M3</sup>, article 25A of the Personal Injuries (Civilians) Scheme 1983 <sup>M4</sup>, article 3 of the Motor Vehicles (Exemption from Vehicles Excise Duty) Order 1985 <sup>M5</sup> or article 3 of the Motor Vehicles (Exemption from Vehicles Excise Duty) (Northern Ireland) Order 1985 <sup>M6</sup> [<sup>F18</sup>;
- [<sup>F19</sup>(d) “disability assistance for children and young people” means a category of disability assistance specifically for children and young people given in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018 [<sup>F20</sup>;
- [<sup>F21</sup>(e) “disability assistance for working age people” means a category of disability assistance specifically for working age people given in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018.]

#### Textual Amendments

- F6** Words in Sch. 7A para. 3(2)(a) inserted (retrospective to 8.4.2013) by [Finance Act 2013 \(c. 29\), s. 201\(2\)\(a\)\(5\)](#)
- F7** Words in Sch. 7A para. 3(2)(a) inserted (retrospective to 8.4.2013) by [Finance Act 2013 \(c. 29\), s. 201\(2\)\(b\)\(5\)](#)
- F8** Words in Sch. 7A para. 3(2)(a) substituted (26.7.2021) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance\) \(Consequential Provision and Modifications\) Order 2021 \(S.I. 2021/886\), arts. 1\(2\), 7\(2\)\(a\)](#)
- F9** Words in Sch. 7A para. 3(2)(a) inserted (21.3.2022) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance and Information-Sharing\) \(Consequential Provision and Modifications\) Order 2022 \(S.I. 2022/332\), arts. 1\(2\), 5\(2\)\(a\)](#)

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- F10** Sch. 7A para. 3(3)(a) substituted (27.6.2002) by The Secretaries of State for Education and Skills and for Work and Pensions Order 2002 (S.I. 2002/1397), art. 12, **Sch. para. 10**
- F11** Word in Sch. 7A para. 3(3)(b) omitted (26.7.2021) by virtue of The Social Security (Scotland) Act 2018 (Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance) (Consequential Provision and Modifications) Order 2021 (S.I. 2021/886), arts. 1(2), **7(2)(b)(i)**
- F12** Sch. 7A para. 3(3)(d) and word inserted (26.7.2021) by The Social Security (Scotland) Act 2018 (Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance) (Consequential Provision and Modifications) Order 2021 (S.I. 2021/886), arts. 1(2), **7(2)(b)(ii)**
- F13** Words in Sch. 7A para. 3(3) inserted (retrospective to 8.4.2013) by Finance Act 2013 (c. 29), **s. 201(3)(5)**
- F14** Words in Sch. 7A para. 3(3) substituted (26.7.2021) by The Social Security (Scotland) Act 2018 (Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance) (Consequential Provision and Modifications) Order 2021 (S.I. 2021/886), arts. 1(2), **7(2)(b)(iii)**
- F15** Word in Sch. 7A para. 3(3) substituted (21.3.2022) by The Social Security (Scotland) Act 2018 (Disability Assistance and Information-Sharing) (Consequential Provision and Modifications) Order 2022 (S.I. 2022/332), arts. 1(2), **5(2)(b)(i)**
- F16** Words in Sch. 7A para. 3(3) inserted (21.3.2022) by The Social Security (Scotland) Act 2018 (Disability Assistance and Information-Sharing) (Consequential Provision and Modifications) Order 2022 (S.I. 2022/332), arts. 1(2), **5(2)(b)(ii)**
- F17** Sch. 7A para. 3(4)(ba)(bb) inserted (retrospective to 8.4.2013) by Finance Act 2013 (c. 29), **s. 201(4)(5)**
- F18** Semi-colon at the end of Sch. 7A para. 3(4)(c) substituted for full stop (26.7.2021) by The Social Security (Scotland) Act 2018 (Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance) (Consequential Provision and Modifications) Order 2021 (S.I. 2021/886), arts. 1(2), **7(2)(c)**
- F19** Sch. 7A para. 3(4)(d) inserted (26.7.2021) by The Social Security (Scotland) Act 2018 (Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance) (Consequential Provision and Modifications) Order 2021 (S.I. 2021/886), arts. 1(2), **7(2)(d)**
- F20** Sch. 7A para. 3(4)(d): semicolon substituted for full stop (21.3.2022) by The Social Security (Scotland) Act 2018 (Disability Assistance and Information-Sharing) (Consequential Provision and Modifications) Order 2022 (S.I. 2022/332), arts. 1(2), **5(2)(c)**
- F21** Sch. 7A para. 3(4)(e) inserted (21.3.2022) by The Social Security (Scotland) Act 2018 (Disability Assistance and Information-Sharing) (Consequential Provision and Modifications) Order 2022 (S.I. 2022/332), arts. 1(2), **5(2)(d)**

#### Marginal Citations

- M1** 1992 c.4.
- M2** 1992 c.7.
- M3** S.I. 1983/883; article 26A was inserted by S.I. 1983/1116, and has been amended by S.I. 1983/1521, 1986/592 and 1990/1308.
- M4** S.I. 1983/686; article 25A was inserted by S.I. 1983/1164, and has been amended by S.I. 1983/1540, 1986/628, 1990/1300 and 1992/702.
- M5** S.I. 1985/722.
- M6** S.I. 1985/723.

#### *Contracts relating to commercial ships*

- 4 (1) A contract falls within this paragraph if it relates only to a commercial ship and is <sup>[F22]</sup>a contract of general insurance of a relevant class.]
- <sup>[F23]</sup>(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) ships, or

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(c) liabilities of ships,  
(and no other risks).]

- (3) For the purposes of this paragraph a commercial ship is a ship which is—
- (a) of a gross tonnage of 15 tons or more; and
  - (b) not designed or adapted for use for recreation or pleasure.

#### Textual Amendments

**F22** Words in Sch. 7A para. 4(1) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1](#), 346(4)(a)

**F23** Sch. 7A para. 4(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [art. 346\(4\)\(b\)](#)

#### *Contracts relating to lifeboats and lifeboat equipment*

- 5 (1) A contract falls within this paragraph if it relates only to a lifeboat and is [<sup>F24</sup>a contract of general insurance of a relevant class.]
- [<sup>F25</sup>(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) ships, or
  - (c) liabilities of ships,
- (and no other risks).]
- (3) For the purposes of this paragraph a lifeboat is a vessel used or to be used solely for rescue or assistance at sea.

#### Textual Amendments

**F24** Words in Sch. 7A para. 5(1) substituted (1.12.2001) by [2001/3649](#), [art. 346\(5\)\(a\)](#)

**F25** Sch. 7A para. 5(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [art. 346\(5\)\(b\)](#)

- 6 (1) A contract falls within this paragraph if it relates only to a lifeboat and lifeboat equipment and is such that, if it related only to a lifeboat, it would fall within paragraph 5 above.
- (2) In deciding whether a contract relates to lifeboat equipment the nature of the risks concerned is immaterial, and they may (for example) be risks of dying or sustaining injury or of loss or damage.
- (3) For the purposes of this paragraph—
- (a) “lifeboat” has the meaning given by paragraph 5(3) above; and
  - (b) “lifeboat equipment” means anything used or to be used solely in connection with a lifeboat.

#### *Contracts relating to commercial aircraft*

- 7 (1) A contract falls within this paragraph if it relates only to a commercial aircraft and is [<sup>F26</sup>a contract of general insurance of a relevant class.]

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[<sup>F27</sup>(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) aircraft, or
  - (c) aircraft liability,
- (and no other risks).]

(3) For the purposes of this paragraph a commercial aircraft is an aircraft which is—

- (a) of a weight of 8,000 kilogrammes or more; and
- (b) not designed or adapted for use for recreation or pleasure.

#### Textual Amendments

**F26** Words in Sch. 7A para. 7(1) substituted (1.12.2001) by [S.I. 2001/3649, art. 346\(6\)\(a\)](#)

**F27** Sch. 7A para. 7(2) substituted (1.12.2001) by [S.I. 2001/3649, art. 346\(6\)\(b\)](#)

#### *[<sup>F28</sup>Contracts relating to spacecraft*

#### Textual Amendments

**F28** Sch. 7A para. 7A and cross-heading inserted (1.12.2014) by [The Insurance Premium Tax \(Non-taxable Insurance Contracts\) Order 2014 \(S.I. 2014/2856\), arts. 1, 2](#)

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,
- (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.]

#### *Contracts relating to risks outside the United Kingdom*

8 (1) A contract falls within this paragraph if it relates only to a risk which is situated outside the United Kingdom.

[<sup>F29</sup>(2) The question of whether a risk is situated in the United Kingdom shall be determined in accordance with [<sup>F30</sup>the Table in sub-paragraph (3)].]

[<sup>F31</sup>(3) This is the Table referred to in sub-paragraph (2)—

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<i>Where—</i>	<i>The risk is situated in—</i>
the contract relates to a building, to some or all of the contents of a building or to a building and some or all of its contents	the country or territory in which the building is situated
the contract relates to vehicles of any type	the country or territory in which the vehicle is registered
the contract covers travel or holiday risks and has a duration of four months or less	the country or territory in which the policyholder entered into the contract
the contract does not fall within any of the previous entries and the policyholder is an individual	the country or territory in which the policyholder is habitually resident on the date on which the contract is entered into
the contract does not fall within any of the previous entries	the country or territory in which the establishment of the policyholder to which the contract relates is situated on the date on which the contract is entered into.

(4) For the purposes of the last entry in the Table, “establishment”, in relation to a policyholder (“P”), means—

- (a) P’s head office or any of P’s agencies or branches, or
- (b) any permanent presence of P (which need not take the form of a branch or agency and, for example, may consist of an office managed by P’s staff or by a person who is independent of P but who has permanent authority to act for P as if the person were an agency).]

#### Textual Amendments

**F29** Sch. 7A para. 8(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [art. 346\(7\)\(a\)](#)

**F30** Words in Sch. 7A para. 8(2) substituted (24.2.2022 in relation to contracts of insurance entered into on or after that date) by [Finance Act 2022 \(c. 3\)](#), [s. 73\(2\)\(4\)](#)

**F31** Sch. 7A para. 8(3)(4) inserted (24.2.2022 in relation to contracts of insurance entered into on or after that date) by [Finance Act 2022 \(c. 3\)](#), [s. 73\(3\)\(4\)](#)

#### *Contracts relating to foreign or international railway rolling stock*

9 (1) A contract falls within this paragraph if it relates only to foreign or international railway rolling stock and is [<sup>F32</sup>a contract of general insurance of a relevant class.]

[<sup>F33</sup>(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) railway rolling stock, or
  - (b) general liability to third parties,
- (and no other risks).]

(3) For the purposes of this paragraph foreign or international railway rolling stock is railway rolling stock used principally for journeys taking place wholly or partly outside the United Kingdom.



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#### Textual Amendments

**F32** Words in Sch. 7A para. 9(1) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1](#), 346(8)(a)

**F33** Sch. 7A para. 9(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1](#), 346(8)(b)

#### *Contracts relating to the Channel tunnel*

- 10 (1) A contract falls within this paragraph if it relates only to the Channel tunnel system and is <sup>F34</sup>a contract of general insurance of a relevant class.]
- <sup>F35</sup>(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) fire or natural forces,
  - (b) damage to property, or
  - (c) general liability to third parties,
- (and no other risks).]
- (3) For the purposes of this paragraph “the Channel tunnel system” means—
- (a) the tunnels described in section 1(7)(a) of the Channel Tunnel Act 1987;
  - (b) the control towers situated in the terminal areas described in section 1(7)(b) of that Act; and
  - (c) the shuttle crossovers, wherever situated.

#### Textual Amendments

**F34** Words in Sch. 7A para. 10(1) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1](#), 346(9)(a)

**F35** Sch. 7A para. 10(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1](#), 346(9)(b)

- 11 (1) A contract falls within this paragraph if it relates only to relevant Channel tunnel equipment and is <sup>F36</sup>a contract of general insurance of a relevant class.]
- <sup>F37</sup>(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) fire or natural forces,
  - (b) damage to property, or
  - (c) general liability to third parties,
- (and no other risks).]
- (3) For the purposes of this paragraph “the Channel tunnel system” has the meaning given by paragraph 10(3) above.
- (4) For the purposes of this paragraph “relevant Channel tunnel equipment” means, subject to sub-paragraph (5) below, the fixed or movable equipment needed for the operation of the Channel tunnel system or for the operation of trains through any tunnel forming part of it and in particular includes—
- (a) any ventilation, cooling or electrical plant used or to be used in connection with any such operation; and
  - (b) any safety, signalling and control equipment which is or is to be so used.
- (5) Equipment which consists of or forms part of—



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- (a) roads, bridges, platforms, ticket offices and other facilities for the use of passengers or motor vehicles;
- (b) administrative buildings and maintenance facilities; and
- (c) railway track or signalling equipment which is not situated in any part of the Channel tunnel system,

is not relevant Channel tunnel equipment for the purposes of this paragraph.

#### Textual Amendments

**F36** Words in Sch. 7A para. 11(1) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(10\)\(a\)](#)

**F37** Sch. 7A para. 11(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(10\)\(b\)](#)

#### *Contracts relating to goods in foreign or international transit*

- 12 (1) A contract falls within this paragraph if it relates only to loss of or damage to goods in foreign or international transit and the insured enters into the contract in the course of a business carried on by him.
- (2) For the purposes of this paragraph goods in foreign or international transit are goods in transit, and any container in which they are carried, where their carriage—
- (a) begins and ends outside the United Kingdom;
  - (b) begins outside but ends in the United Kingdom; or
  - (c) ends outside but begins in the United Kingdom.
- (3) For the purposes of sub-paragraph (2) above “container” has the same meaning as in regulation 38(3) of the Value Added Tax (General) Regulations 1985 <sup>M7</sup>.

#### Marginal Citations

**M7** [S.I. 1985/886](#).

#### *Contracts relating to credit*

- 13 (1) A contract falls within this paragraph if it relates only to credit granted in relation to goods or services supplied under a relevant contract by a person carrying on business in the United Kingdom.
- (2) For the purposes of this paragraph a relevant contract is—
- (a) a contract to make a relevant supply of goods, or a supply of services, or both, to an overseas customer;
  - (b) a contract to supply goods to a person who is to—
    - (i) export those goods; or
    - (ii) incorporate those goods in other goods which he is to export, where the condition mentioned in sub-paragraph (3) below is satisfied;
  - (c) a contract to supply to a person who is to export goods services consisting of the valuation or testing of, or other work carried out on, those goods where the condition mentioned in sub-paragraph (3) below is satisfied;

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- (d) a contract to supply services to a person in order that he may comply with a legally binding obligation to make a supply of services to an overseas customer.
- (3) The condition referred to in sub-paragraph (2)(b) and (c) above is that the goods to be exported are to be exported in order that the person exporting them may comply with a legally binding obligation to make a relevant supply of goods to an overseas customer.
- (4) For the purposes of this paragraph—
  - (a) “export” means export from the United Kingdom and cognate expressions shall be construed accordingly; and
  - (b) any reference to a person who is to export goods shall be taken as including a reference to a person at whose direction the insured is to export them and the reference in sub-paragraph (3) above to the person exporting goods shall be construed accordingly.
- (5) Where a contract relates to—
  - (a) credit of the description in sub-paragraph (1) above; and
  - (b) loss resulting from the insured or any third party being required to pay the amount of any bond or guarantee against non-performance by the insured of the contract which involves him making the supply,
 the contract shall be treated for the purposes of sub-paragraph (1) above as if it did not relate to loss of the description in paragraph (b) above.

*Contracts relating to exchange losses*

- 14 (1) A contract falls within this paragraph if—
- (a) it relates only to loss resulting from a change in the rate at which the price for a supply which is or may be made by the insured may be exchanged for another currency; and
  - (b) the conditions mentioned in sub-paragraph (2) below are satisfied.
- (2) The conditions referred to in sub-paragraph (1) above are that—
- (a) the insured is a person carrying on business in the United Kingdom;
  - (b) the contract of insurance concerns a contract to make a relevant supply of goods, or a supply of services, or both, to an overseas customer (whether or not the contract to make the supply is one into which the insured has entered, or one for which he has tendered or intends to tender); and
  - (c) the period of cover for the risk expires no later than the date by which the whole of the price for the supply is to be paid or, where the contract has not been entered into, would be required to be paid.
- (3) Where the contract relates to—
- (a) loss of the description in sub-paragraph (1)(a) above; and
  - (b) loss relating from a change in the rate at which the price of goods which the insured imports into the United Kingdom for the purpose of enabling him to make the supply concerned may be exchanged for another currency,
- the contract shall be treated for the purposes of sub-paragraphs (1) and (2) above as if it did not relate to loss of the description in paragraph (b) above.

**Changes to legislation:** Finance Act 1994, SCHEDULE 7A is up to date with all changes known to be in force on or before 14 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

*Contracts relating to the provision of financial facilities*

- 15 (1) A contract falls within this paragraph if it relates only to the provision of a relevant financial facility and the conditions mentioned in sub-paragraph (2) below are satisfied.
- (2) The conditions referred to in sub-paragraph (1) above are that—
- (a) the person to whom the relevant financial facility is provided is an overseas customer;
  - (b) it is provided in order that he may comply with a legally binding obligation to receive a relevant supply of goods, or a supply of services, or both, from a person carrying on business<sup>F38</sup>. . . ; and
  - [<sup>F39</sup>(c) the contract of insurance insures against risks arising from or in relation to either or both—
    - (i) credit,
    - (ii) suretyship.]
- (3) For the purposes of this paragraph a relevant financial facility is—
- (a) the making of an advance;
  - (b) the issue of a letter of credit or acceptance of a bill of exchange;
  - (c) the giving of a guarantee or bond; or
  - (d) any other similar transaction entered into in order to provide a customer with the means to pay, or a supplier with the right to call upon a third party for, the consideration for goods or services.

**Textual Amendments**

**F38** Words in Sch. 7A para. 15(2)(b) omitted (1.1.1997) by virtue of [S.I. 1996/2955](#), [art. 2](#)

**F39** Sch. 7A para. 15(2)(c) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(11\)](#)

**PART II**

**INTERPRETATION**

- 16 (1) This Part of this Schedule applies for the purposes of Part I of this Schedule.
- (2) A relevant supply of goods is any supply of goods where the supply is to be made outside the United Kingdom or where the goods are to be exported from the United Kingdom.
- (3) An overseas customer, in relation to a supply of goods or services, is a person who—
- (a) does not have any business establishment in the United Kingdom but has such an establishment elsewhere;
  - (b) has such establishments both in the United Kingdom and elsewhere, provided that the establishment at which, or for the purposes of which, the goods or services which are to be supplied to him are most directly to be used is not in the United Kingdom; or
  - (c) has no such establishment in any place and does not have his usual place of residence in the United Kingdom.

[<sup>F40</sup>16A Paragraphs 2, 4, 5, 7, [<sup>F41</sup>7A,] 8, 9, 10, 11 and 15 must be read with—

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**Changes to legislation:** Finance Act 1994, SCHEDULE 7A is up to date with all changes known to be in force on or before 14 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.]

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**Textual Amendments**

**F40** Sch. 7A para. 16A inserted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1](#), 346(12)

**F41** Word in [Sch. 7A para. 16A](#) inserted (1.12.2014) by [The Insurance Premium Tax \(Non-taxable Insurance Contracts\) Order 2014 \(S.I. 2014/2856\)](#), [arts. 1](#), [3](#)

**Changes to legislation:**

Finance Act 1994, SCHEDULE 7A is up to date with all changes known to be in force on or before 14 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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**Changes and effects yet to be applied to :**

- Sch. 7A para. 3(4)(b) repealed by [S.I. 2015/2006 \(N.I.\) Sch. 12 Pt. 8](#)
- Sch. 7A para. 3(2)(a) words repealed by [S.I. 2015/2006 \(N.I.\) Sch. 12 Pt. 8](#)
- Sch. 7A para. 3(3) words repealed by [S.I. 2015/2006 \(N.I.\) Sch. 12 Pt. 8](#)
- Sch. 7A para. 3(4)(b) words repealed by [2012 c. 5 Sch. 14 Pt. 9](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 16A(2)(g) inserted by [2023 c. 30 Sch. 13 para. 28](#)
- s. 160(2)-(7) modified by 2010 c. 8 s. 464(6) (as inserted) by [2017 c. 32 Sch. 5 para. 1](#)
- Sch. 5 para. 2(1)(pa) inserted by [S.I. 2022/109 reg. 4](#) (This amendment not applied to [legislation.gov.uk](#). The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)