

SCHEDULES

SCHEDULE 8

LIFE ASSURANCE BUSINESS

PART I

GENERAL AMENDMENTS

Overseas life assurance business

30 In section 441(1) of the Taxes Act 1988 omit the words “resident in the United Kingdom”.

31 In section 441A of the Taxes Act 1988 for subsections (3) to (6) substitute—

“(3) A company shall be entitled to such a tax credit if and to the extent that regulations made by the Board so provide.

(4) Regulations under subsection (3) above may, in particular, provide for the entitlement of a company to a tax credit, and the amount to which the company is entitled, to be determined by reference to—

- (a) the residence of any description of policy holders or annuitants prescribed by the regulations, or
- (b) the location of any branch or agency at or through which the policy or contract for any business is effected.

(5) Subsections (2) and (3) of section 431E apply in relation to regulations under subsection (3) above as they apply in relation to regulations under subsection (1) of that section but as if any issue which falls to be decided for the purposes of the regulations under subsection (3) above were an issue such as is mentioned in subsection (2)(a) of that section.”.

32 After section 441A of the Taxes Act 1988 insert—

“441B Treatment of UK land.

(1) This section applies to land in the United Kingdom which—

- (a) is held by a company as an asset linked to the company’s overseas life assurance business, or
- (b) is held by a company which is charged to tax under Case I of Schedule D in respect of its life assurance business as an asset by reference to the value of which benefits under any policy or contract are to be determined, where the policy or contract (or, in the case of a reinsurance contract, the underlying policy or contract) is held by a person not residing in the United Kingdom.

Status: This is the original version (as it was originally enacted).

- (2) Income arising from land to which this section applies shall be treated for the purposes of this Chapter as referable to basic life assurance and general annuity business.
- (3) Where (apart from this subsection) an insurance company would not be carrying on basic life assurance and general annuity business it shall be treated as carrying on such business if any income of the company is treated as referable to such business by subsection (2) above.
- (4) A company may be charged to tax by virtue of this section—
 - (a) notwithstanding section 439A, and
 - (b) whether or not the income to which subsection (2) above relates is taken into account in computing the profits of the company for the purposes of any charge to tax in accordance with Case I of Schedule D.

(5) In this section “land” has the same meaning as in Schedule 19AA.”.

33 In paragraph 1(2) of Schedule 19AA to the Taxes Act 1988, at the end insert “(including any modification of any of those provisions made by paragraph 14A of Schedule 19AC)”.