

SCHEDULES

SCHEDULE 18

COMPANY TAX RETURNS, ASSESSMENTS AND RELATED MATTERS

PART X

SPECIAL PROVISIONS

Choice between different Cases of Schedule D

- 84 (1) This paragraph applies in the following cases.
- (2) The first case is where amounts may be brought into charge to tax either—
- (a) in computing profits chargeable to tax under Case I of Schedule D, or
 - (b) as amounts within Case III or V of that Schedule.
- (3) The second case is where amounts may be brought into charge to tax either—
- (a) in computing profits charged to tax under Case I of Schedule D, or
 - (b) for the purpose of applying the basis commonly called the I minus E basis under which a company carrying on life assurance business is charged to tax on that business otherwise than under Case I of Schedule D.

In paragraph (b) “life assurance business” includes annuity business within the meaning of Chapter I of Part XII of the Taxes Act 1988.

- (4) Where this paragraph applies, the Inland Revenue may by notice require a company—
- (a) to produce to them such documents in the company’s power or possession, and
 - (b) to provide them with such information, in such form,
- as they may reasonably require for the purpose of determining which basis of charge is to be used for an accounting period.

The provisions of paragraphs 27 to 29 (notice to produce documents, etc. for purposes of enquiry: supplementary provisions and penalty) apply in relation to such a notice.

- (5) A determination by the Inland Revenue under this paragraph is final and conclusive as to the basis of charge to be used for the accounting period concerned.

Non-annual accounting of general insurance business

- 85 (1) This paragraph applies where a company carrying on insurance business delivers a company tax return based wholly or partly on accounts drawn up using the method described in paragraph 52 of Schedule 9A to the Companies Act 1985.

Status: This is the original version (as it was originally enacted).

That paragraph provides for a technical provision to be made in the accounts which is later replaced by a provision for estimated claims outstanding.

- (2) Where this paragraph applies—
- (a) the company may make any amendments of its return arising from the replacement of the technical provision at any time within twelve months from the date on which the provision was replaced, and
 - (b) the Inland Revenue may give notice of enquiry into the return at any time up to two years from that date.
- (3) Nothing in this paragraph prevents notice of enquiry being given at any later time in accordance with the general rule in paragraph 24(3).

Insurance companies with non-annual actuarial investigations

- 86 (1) This paragraph applies where a company tax return is delivered by an insurance company which is permitted by an order under section 68 of the Insurance Companies Act 1982 to cause investigations to be made into its financial condition less frequently than is required by section 18 of that Act.
- (2) Where this paragraph applies—
- (a) the company may make any amendments of its return arising from the relevant investigation at any time within twelve months from the date as at which that investigation is carried out, and
 - (b) the Inland Revenue may give notice of enquiry into the return at any time up to two years from that date.
- (3) “The relevant investigation” means—
- (a) if the return is for a period as at the end of which there is carried out an investigation under section 18 of the Insurance Companies Act 1982 into the financial condition of the company, that investigation;
 - (b) if the return is not for such a period, the first such investigation to be made into the financial condition of the company as at the end of a subsequent period.

Friendly societies with non-annual actuarial investigations

- 87 (1) This paragraph applies where a company tax return is delivered by a friendly society which is required by section 47 of the Friendly Societies Act 1992 to cause an investigation to be made into its financial condition at least once in every period of three years.
- (2) Where this paragraph applies—
- (a) the society may make any amendments of its return arising from the relevant investigation at any time within 15 months from the date as at which that investigation is carried out, and
 - (b) the Inland Revenue may give notice of enquiry into the return at any time up to 27 months from that date.
- (3) “The relevant investigation” means—
- (a) if the return is for a period as at the end of which there is carried out an investigation under section 47 of the Friendly Societies Act 1992 into the financial condition of the society, that investigation;

- (b) if the return is not for such a period, the first such investigation to be made into the financial condition of the company as at the end of a subsequent period.