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**Changes to legislation:** Finance Act 2007, Cross Heading: Capital Allowances Act 2001 (c. 2) 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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## SCHEDULES

### SCHEDULE 7

#### INSURANCE BUSINESS: GROSS ROLL-UP BUSINESS ETC

#### PART 1

#### AMENDMENTS

##### *Capital Allowances Act 2001 (c. 2)*

- 68 CAA 2001 is amended as follows.
- 69 (1) Section 255 (apportionment of allowances and charges) is amended as follows.
- (2) For subsections (1) and (1A) substitute—
- “(1) Except where subsection (3) applies, any allowance to which the company is entitled, and any charge to which it is liable, for a chargeable period in respect of a management asset must be apportioned between basic life assurance and general annuity business, gross roll-up business and PHI business in accordance with subsections (1A) and (1B).
- (1A) The allowance or charge is to be apportioned to a category of business using the formula—
- $$A \times \frac{B}{C}$$
- where—
- A is the amount of the allowance or charge,
- B is the mean of the opening and closing liabilities of that category of business, and
- C is the mean of the opening and closing liabilities of all the categories of business mentioned in subsection (1) which are carried on by the company.
- (1B) If C is nil or below nil, the allowance or charge to be apportioned to a category of business is such as is just and reasonable.”
- (3) Omit subsection (2).
- (4) In subsection (3)—
- (a) in paragraph (a), for “section 441 of ICTA in respect of its overseas life assurance business” substitute “section 436A of ICTA (gross roll-up business)”, and

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- (b) in paragraph (b), for “provided outside the United Kingdom for use for the management of that business” substitute “ held for the purposes of a permanent establishment outside the United Kingdom at or through which the company carries on gross roll-up business ”.
- 70 (1) Section 256 (different giving effect rules for different categories of business) is amended as follows.
  - (2) In subsection (3), for paragraphs (a) to (c) substitute “ section 436A of ICTA (gross roll-up business) ”.
  - (3) In subsection (4)—
    - (a) for “profit” substitute “ profits ”,
    - (b) in paragraph (a), for “any particular category of business” substitute “ gross roll-up business ” and for “that category of business” substitute “ its gross roll-up business ”, and
    - (c) in paragraph (b), for “any particular category of business” substitute “ gross roll-up business ” and for “that category of business” substitute “ its gross roll-up business ”.
- 71 (1) Section 545 (investment assets) is amended as follows.
  - (2) In subsection (3), in the second sentence, for “sections 432ZA to 432E, or section 438B,” substitute “ section 432A ”.
  - (3) In subsection (5)—
    - (a) for the words from “under—” to “no allowance” substitute “ under section 436A of ICTA (gross roll-up business), no allowance ”, and
    - (b) for “the category of life assurance business in question” substitute “ gross roll-up business ”.

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**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. 993 modified by [2016 c. 24 s. 118\(2\)](#)
- Sch. 24 para. 12(5)(za) inserted by [2015 c. 11 Sch. 20 para. 6\(a\)](#)
- Sch. 24 para. 21A(A1) inserted by [2015 c. 11 Sch. 20 para. 7\(2\)](#)
- Sch. 24 para. 4A(A1)(1) substituted for Sch. 24 para. 4A(1) by [2015 c. 11 Sch. 20 para. 3\(2\)](#)