

*Order made by the Treasury, laid before the House of Commons under section 71(1) of the Finance Act 1994, for approval by a resolution of that House within twenty-eight days beginning with the day on which the Order was made, subject to extension for periods of dissolution, prorogation or adjournment for more than four days.*

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STATUTORY INSTRUMENTS

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**1996 No. 2955**

**INSURANCE PREMIUM TAX**

**The Insurance Premium Tax (Taxable  
Insurance Contracts) Order 1996**

<i>Made</i>	- - - -	<i>26th November 1996</i>
<i>Laid before the House of Commons</i>	- - - -	<i>26th November 1996</i>
<i>Coming into force</i>	- -	<i>1st January 1997</i>

The Treasury, in exercise of the powers conferred on them by section 71(1) of the Finance Act 1994(1) and of all other powers enabling them in that behalf, hereby make the following Order:

1. This Order may be cited as the Insurance Premium Tax (Taxable Insurance Contracts) Order 1996 and shall come into force on 1st January 1997.
2. In sub-paragraph (2)(b) of paragraph 15 of Schedule 7A to the Finance Act 1994(1) the words “in the United Kingdom” shall be omitted.

26th November 1996

*Bowen Wells*  
*Michael Bates*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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(1) 1994 c. 9.  
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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order, which comes into force on 1st January 1997, amends paragraph 15(2)(b) of Schedule 7A to the Finance Act 1994 by deleting the words “in the United Kingdom”. The existing provision states that a contract of insurance shall not be taxable for the purposes of insurance premium tax where it relates only to the provision of a “relevant financial facility”(being a loan or guarantee, etc) to an overseas customer in order that he (the overseas customer) may comply with an obligation to receive goods or services from a person carrying on business in the United Kingdom. The amendment extends the existing provision by stating that an insurance contract will not be taxable for the purposes of insurance premium tax where a “relevant financial facility”is provided to an overseas customer in order that he may comply with an obligation to receive goods or services from a person carrying on business anywhere in the world.