

SCHEDULE

EXPENSES OF COMPANIES WITH INVESTMENT BUSINESS AND INSURANCE COMPANIES

Finance Act 2002

Tax relief for research and development: entitlement to relief in respect of “I minus E” basis

64.—(1) In Schedule 12 to the Finance Act 2002(1) paragraph 13 is amended as follows.

(2) For sub-paragraph (2) (application of Part 3 to treat amounts as disbursed as expenses of management) substitute—

“(2) The provisions of Part 3 which allow a deduction in calculating the profits of a trade apply in relation to the company to treat amounts as expenses payable falling to be brought into account at Step 3 in section 76(7) of the Taxes Act 1988.”.

Expenditure on vaccine research etc: entitlement to relief in respect of “I minus E” basis

65.—(1) In Schedule 13 to the Finance Act 2002 paragraph 23 is amended as follows.

(2) For sub-paragraph (2) (application of Part 3 to treat amounts as disbursed as expenses of management) substitute—

“(2) The provisions of Part 3 which allow a deduction in calculating the profits of a trade apply in relation to the company to treat amounts as expenses payable falling to be brought into account at Step 3 in section 76(7) of the Taxes Act 1988.”.

Loan relationships

66.—(1) In Schedule 25 to the Finance Act 2002 paragraph 58 is amended as follows.

(2) Sub-paragraph (6)(a) (consequential amendment of enactments: paragraph 11 of Schedule 28A to the Taxes Act 1988) and the word “and” following that paragraph are repealed.

(3) Sub-paragraph (9) (consequential amendment of enactments: paragraph 16(1)(e) of Schedule 28A to the Taxes Act) is repealed.

Intangible fixed assets: special provisions relating to insurance companies

67.—(1) In Schedule 29 to the Finance Act 2002 paragraph 36 is amended as follows.

(2) In sub-paragraph (3) (insurance company carrying on basic life assurance and general annuity business) for paragraph (c) (non-trading loss treated as additional expenses of management) substitute—

“(c) any resulting non-trading loss in respect of intangible assets is treated as expenses payable falling to be brought into account at Step 3 in section 76(7) of the Taxes Act 1988.”.

(1) 2002 c. 23.