

SCHEDULE

EXPENSES OF COMPANIES WITH INVESTMENT BUSINESS AND INSURANCE COMPANIES

Finance Act 1999

Receipts by way of reverse premium: insurance companies carrying on life assurance business

51.—(1) In Schedule 6 to the Finance Act 1999⁽¹⁾ (tax treatment of receipts by way of reverse premium) paragraph 4 (special rules for insurance companies carrying on life assurance business) is amended as follows.

(2) For sub-paragraph (3) (deduction from expenses of management) substitute—

“(3) Sub-paragraph (3A) applies where a reverse premium is brought into account by an insurance company carrying on life assurance business in respect of which it is chargeable to tax otherwise than in accordance with the rules applicable to Case I of Schedule D.

(3A) Where this sub-paragraph applies so much of the reverse premium as is referable to the company’s basic life assurance and general annuity business shall be treated for the purposes of section 85 of the Finance Act 1989 (charge of certain receipts of basic life assurance and general annuity business to tax under Case VI of Schedule D) as receipts falling within subsection (1) of that section for the accounting period in which the reverse premium is brought into account.”

(3) In sub-paragraph (4) for “life assurance business” substitute “brought into account”.

(1) 1999 c. 16. There are amendments to the Schedule which are not relevant for present purposes.