
STATUTORY INSTRUMENTS

2005 No. 3465

**The Insurance Companies (Corporation
Tax Acts) (Amendment) Order 2005**

Amendment of Chapter 1 of Part 12 of the Income and Corporation Taxes Act 1988

3.—(1) Amend section 431 (interpretative provisions for the purposes of Chapter 1 of Part 12) as follows.

(2) In subsection (2)—

(a) after the definition of “contract of insurance”(1) insert—

““free assets amount”, in relation to an insurance company, means the excess of the value of the assets of the company’s long-term business over the aggregate of —

- (a) the value of the liabilities of that business,
- (b) any money debts (within the meaning of Chapter 2 of Part 4 of the Finance Act 1996) of the company not within paragraph (a) above which are owed in respect of that business, and
- (c) the amount of the shareholders' excess assets within the meaning given by section 432A(8)(b)(2);”;

(b) omit the definition of “investment reserve”(3);

(c) after the definition of “reinsurance business” insert—

““shareholders' excess assets” has the meaning given by section 432A(8)(b)(4);”.

(3) In subsection (2ZB)(5)—

(a) at the end of paragraph (b) omit “or”;

(b) in paragraph (c) for “investment reserve” substitute “free assets amount”;

(c) after paragraph (c) insert—

“or

(d) the opening amount of the shareholder’s excess assets of the transferor;”;

(d) in the words following paragraph (d) for “or values, or that reserve” substitute “values or amounts”.

(4) In subsection (2ZC)—

(a) at the end of paragraph (b) omit “or”;

(b) in paragraph (c) for “investment reserve” substitute “free assets amount”;

(c) after paragraph (c) insert—

(1) This definition was inserted by article 26 of S.I.2001/3629.

(2) Section 432A was inserted by paragraph 4 of Schedule 6 to the Finance Act 1990. Subsection (8) was amended by article 52(2)(c) of S.I. 2001/3629.

(3) This definition was inserted by paragraph 25 of Schedule 33 to the Finance Act 2003.

(4) Section 432A was inserted by paragraph 4 of Schedule 6 to the Finance Act 1990. Subsection (8) was amended by article 52(2)(c) of S.I. 2001/3629.

(5) This subsection was inserted by paragraph 22(1) of Schedule 33 to the Finance Act 2003.

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“or

(d) the closing amount of the shareholder’s excess assets of the transferor,”;

(d) in the words following paragraph (d) for “or values, or that reserve” substitute “values or amounts”.