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STATUTORY INSTRUMENTS

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**2008 No. 381**

**The Insurance Business Transfer Schemes  
(Amendment of the Corporation Tax Acts) Order 2008**

**Amendment of section 444ABB**

**13.**—(1) Section 444ABB (retained assets) is amended as follows.

(2) In subsection (1), for the words from “is the lesser” to the end substitute—

“is—

$$FVA - ABDP - RL13 - RRL$$

where—

FVA is the fair value of the assets on the transfer date,

ABDP is the amount of the profits to be taken into account as profits under section 444ABD,

RL13 is the amount by which AL13 exceeds VE, and

RRL is the value of any relevant retained liabilities immediately after the transfer date.

But the relevant amount is nil if it would otherwise be below nil.”

(3) After subsection (1) insert—

“(1A) For the purposes of subsection (1) above—

- (a) AL13 is any positive amount shown (or treated as shown) in line 13 of Form 14 in the periodical return for the last period of account of the transferor ending before the transfer date;
- (b) VE is the amount (if any) by which VL32 exceeds VTL where—
  - (i) VL32 is the value of the assets shown (or treated as shown) in line 32 of Form 40 in the periodical return of the transferor covering (or treated as covering) the transfer date, and
  - (ii) VTL means the amount of the liabilities transferred by the insurance business transfer scheme; and
- (c) relevant retained liabilities are any liabilities of the company’s long-term business which are owed by the company immediately after the transfer date and are shown (or treated as shown) in any of lines 17, 21 to 23 and 31 to 38 in Form 14 in a periodical return for the period of account ending (or treated as ending by section 444AA) immediately before the transfer date.”