



Finance Act 1989

1989 CHAPTER 26

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Underwriters

91 Premiums trust funds: stock lending

(1) In section 725 of the Taxes Act 1988 (Lloyd's underwriters) the following subsections shall be inserted after subsection (9)—

“(10) Subsection (11) below applies where the following state of affairs exists at the beginning of 1st January of any year or the end of 31st December of any year—

- (a) securities have been transferred by the trustees of a premiums trust fund in pursuance of an arrangement mentioned in section 129(1) or (2),
- (b) the transfer was made to enable another person to fulfil a contract or to make a transfer,
- (c) securities have not been transferred in return, and
- (d) section 129(3) applies to the transfer made by the trustees.

(11) The securities transferred by the trustees shall be treated for the purposes of subsections (1) to (6) above as if they formed part of the premiums trust fund at the beginning of 1st January concerned or the end of 31st December concerned (as the case may be).”

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- (2) In section 142A of the Capital Gains Tax Act 1979 (assets in premiums trust fund) the following subsections shall be inserted after subsection (4)—
- “(4A) Subsection (4B) below applies where the following state of affairs exists at the beginning of an accounting period or the end of an accounting period—
- (a) securities have been transferred by the trustees of a premiums trust fund in pursuance of an arrangement mentioned in section 129(1) or (2) of the Taxes Act 1988 (stock lending),
- (b) the transfer was made to enable another person to fulfil a contract or to make a transfer,
- (c) securities have not been transferred in return, and
- (d) the transfer made by the trustees constitutes a disposal which by virtue of section 149B(9) below is to be disregarded as there mentioned.
- (4B) The securities transferred by the trustees shall be treated for the purposes of subsection (3) above as if they formed part of the premiums trust fund at the beginning concerned or the end concerned (as the case may be).”
- (3) This section applies where the transfer by the trustees of a premiums trust fund is made after the date specified as mentioned in section 129(6) of the Taxes Act 1988.

92 Regulations about underwriters etc

- (1) In section 451(1A) of the Taxes Act 1988 (regulations about underwriters) for the words from “with respect to” to the end there shall be substituted the words “with respect to any year or years of assessment; and the year (or any of the years) may be the one in which the regulations are made or any year falling before or after that year.”
- (2) The following subsection shall be inserted after section 451(1A) of that Act—
- “(1B) But the regulations may not make provision with respect to any year of assessment which precedes the next but one preceding the year of assessment in which the regulations are made.”
- (3) In section 142A of the Capital Gains Tax Act 1979 (regulations about premiums trust funds) subsection (5)(c) shall be omitted and the following subsections shall be inserted after subsection (5)—
- “(6) Regulations under subsection (5) above may make provision with respect to any year or years of assessment; and the year (or any of the years) may be the one in which the regulations are made or any year falling before or after that year.
- (7) But the regulations may not make provision with respect to any year of assessment which precedes the next but one preceding the year of assessment in which the regulations are made.”
- (4) Subsection (5) below applies in the case of any provision of the Tax Acts, the Taxes Management Act 1970, the Capital Gains Tax Act 1979, or any other enactment relating to capital gains tax, which imposes a time limit for making a claim or an election or an application.
- (5) The Board may by regulations provide that where the claim or election or application falls to be made by an underwriting member of Lloyd’s or his spouse (or both) the

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provision shall have effect as if it imposed such longer time limit as is specified in the regulations.

- (6) Regulations under subsection (5) above—
 - (a) shall be made by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons;
 - (b) may make different provision for different provisions or different purposes.
- (7) Regulations under subsection (5) above may make provision with respect to any year or years of assessment; and the year (or any of the years) may be the one in which the regulations are made or any year falling before or after that year.