

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1989, SCHEDULE 8. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 8

Section 84.

#### AMENDMENTS OF CHAPTER I OF PART XII OF TAXES ACT 1988 (INSURANCE COMPANIES)

1 ..... F1

##### Textual Amendments

**F1** Sch. 8 paras. 1, 3(3), 7 repealed by Finance Act 1990 (c.29), s. 132, Sch. 19 Pt. IV, Notes 6, 14

2 Section 433 (profits reserved for policy holders or annuitants) shall cease to have effect.

3 (1) In section 434 (franked investment income etc.), for subsection (3) there shall be substituted the following subsections—

“(3) Subject to sections 437 and 438, the policy holders’ fraction of the franked investment income from investments held in connection with a company’s life assurance business shall not be used under Chapter V of Part VI to frank distributions made by the company and, accordingly, for the purposes of that Chapter (other than the application of franked investment income under section 241), in relation to any unrelieved income of a company falling within subsection (1) above, the surplus of franked investment income for any accounting period means the aggregate of—

- (a) the policy holders’ fraction of that franked investment income; and
- (b) the amount determined under section 241(3) on the basis that the reference therein to franked investment income is a reference only to the shareholders’ fraction of that income.

(3A) The policy holders’ fraction of the franked investment income from investments held in connection with a company’s life assurance business shall be left out of account in determining, under subsection (7) of section 13, the franked investment income forming part of the company’s profits for the purposes of that section.”

(2) Subsections (4) and (5) of that section shall be omitted.

(3)

<sup>F2</sup>(4) In subsection (7) of that section for “(4)” there shall be substituted “(3)” and after the words “against which” there shall be inserted “disregarding relief under section 242”.

##### Textual Amendments

**F2** Sch. 8 paras. 1, 3(3), 7 repealed by Finance Act 1990 (c.29), s. 132, Sch. 19 Pt. IV, Notes 6, 14

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4           After section 434 there shall be inserted the following section—

**“434A Limitations on loss relief and group relief.**

(1) In the case of a company carrying on life assurance business, no relief shall be allowable under Chapter II (loss relief) or Chapter IV (group relief) of Part X against the policy holders’ fraction of the relevant profits for any accounting period.

(2) For the purposes of subsection (1) above, the relevant profits of a company for an accounting period are the total profits of its life assurance business, less any deduction due under section 76, but before allowing any relief under Chapter II or Chapter IV of Part X.”

5           Section 435 (taxation of gains reserved for policy holders and annuitants) shall cease to have effect.

6           In section 436 (annuity and pension business: separate charge on profits) in subsection (3)(a) for the words “section 433” there shall be substituted “sections 82 and 83 of the Finance Act 1989”.

7           ..... F3

**Textual Amendments**  
F3   Sch. 8 paras. 1, 3(3), 7 repealed by Finance Act 1990 (c.29), s. 132, Sch. 19 Pt. IV, Notes 6, 14

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