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**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2012, Cross Heading: Capital Allowances Act 2001. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 16

#### PART 2: MINOR AND CONSEQUENTIAL AMENDMENTS

#### PART 3

##### AMENDMENTS OF OTHER ACTS

##### *Capital Allowances Act 2001*

- 94 CAA 2001 is amended as follows.
- 95 In section 19(5) (special leasing of plant or machinery), for “life assurance business” substitute “ long-term business ”.
- 96 In the italic heading before section 254, for “*Life assurance*” substitute “ *Long-term* ”.
- 97 In section 254(1) (introductory), for “life assurance business” substitute “ long-term business ”.
- 98 For section 255 substitute—

##### **“255 Apportionment of allowances and charges**

- (1) This section applies if the long-term business of the company consists of—
- (a) basic life assurance and general annuity business, and
  - (b) non-BLAGAB long-term business.
- (2) In that case—
- (a) any allowance to which the company is entitled for a chargeable period in respect of a management asset, and
  - (b) any charge to which it is liable for a chargeable period in respect of a management asset,
- must be apportioned between the businesses in accordance with Chapter 7 of Part 2 of FA 2012.”
- 99 (1) Section 256 (different giving effect rules for different categories of business) is amended as follows.
- (2) In subsection (1)(b)—
- (a) for “under the I minus E basis” substitute “ in accordance with the I - E rules ”, and
  - (b) for “its life assurance business” substitute “ that business ”.

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- (3) In subsection (2)(a), for the words from “as expenses payable” to “section 76(7) of ICTA” substitute “ for the purposes of section 76 of FA 2012 as deemed BLAGAB management expenses for the chargeable period in question ”.
- (4) Omit subsections (3) and (4).
- (5) In the heading, for “**different categories of business**” substitute “ **BLAGAB** ”.
- 100 In section 257(2) (supplementary), for paragraphs (a) and (b) substitute—
- “(a) section 93(5) of FA 2012 (minimum profits test), or
- (b) section 103 of FA 2012 (rules for determining policyholders' share of I - E profit).”
- 101 (1) Section 261 (special leasing: life assurance business) is amended as follows.
- (2) For “life assurance business” substitute “ long-term business ”.
- (3) In the heading, for “**life assurance business**” substitute “ **long-term business** ”.
- 102 In the heading for Chapter 1 of Part 12, for “LIFE ASSURANCE” substitute “ LONG-TERM ”.
- 103 (1) Section 544 (management assets) is amended as follows.
- (2) In subsections (1) and (2), for “life assurance business” substitute “ long-term business ”.
- (3) Omit subsection (3).
- 104 (1) Section 545 (investment assets) is amended as follows.
- (2) In subsection (1), for “life assurance business” substitute “ long-term business ”.
- (3) For subsections (3) to (5) substitute—
- “(3) No allowance in respect of an investment asset is to be taken into account in calculating for corporation tax purposes the profits of any non-BLAGAB long-term business carried on by the company.”
- 105 (1) Section 560 (transfer of insurance company business) is amended as follows.
- (2) In subsection (1)(b)(ii), omit the words from “within” to the end.
- (3) In subsection (5), after paragraph (d) insert—
- “(e) qualifying overseas transfer” means so much of a transfer of the whole or any part of the business of an overseas life insurance company carried on through a permanent establishment in the United Kingdom as takes place in accordance with an authorisation granted outside the United Kingdom for the purposes of Article 14 of the Council Directive of 5 November 2002 concerning life assurance (2002/83/EC).”

<sup>F1</sup>106 .....

#### Textual Amendments

- F1** Sch. 16 para. 106 repealed (with effect in accordance with s. 33(5) of the amending Act) by [Finance Act 2019 \(c. 1\)](#), s. 33(2)(c)(ix)(b)

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107 (1) Part 2 of Schedule 1 (index of defined expressions) is amended as follows.

(2) Omit the entry for “life assurance business”.

(3) Insert the following entries at the appropriate places—

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|----------------------------------------------------|------------------------------------------------------------------------------|
| “basic life assurance and general annuity business | sections 57 and 67(5) of FA 2012 (as applied by section 141(2) of that Act)” |
| “I - E rules                                       | section 70(1) and (2) of FA 2012 (as applied by section 141(2) of that Act)” |
| “insurance company                                 | section 65 of FA 2012 (as applied by section 141(2) of that Act)”            |
| “long-term business                                | section 63(1) of FA 2012 (as applied by section 141(2) of that Act)”         |
| “non-BLAGAB long-term business                     | sections 66 and 67 of FA 2012 (as applied by section 141(2) of that Act)”    |

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