



Finance Act 2012

2012 CHAPTER 14

PART 2

INSURANCE COMPANIES CARRYING ON LONG-TERM BUSINESS

CHAPTER 3

THE I - E BASIS

Definitions of expressions comprising "E"

78 Section 76: meaning of other expressions

- (1) This section explains for the purposes of section 76 what is meant by—
 - “other relevant rules”,
 - “deemed BLAGAB management expenses for the accounting period”,
 - “expenses reversed in the accounting period”, and
 - “BLAGAB trade loss relieved for the accounting period”.
- (2) An expense is deductible under another “relevant rule” if—
 - (a) it is deductible as a result of section 92(3),
 - (b) it is deductible in calculating, for corporation tax purposes, the profits of a property business, or
 - (c) it is deductible as a result of section 272 of CTA 2009 in calculating income from the letting of rights to work minerals in the United Kingdom.
- (3) An amount is a “deemed BLAGAB management expense for the accounting period” if it is treated as such for the purposes of section 76 as a result of—
 - ^{F1}... paragraph 33(2) of Schedule 17 (spreading of acquisition expenses),
 - section 83 (general annuity business),
 - section 87(3) (losses from property businesses where land held for purposes of long-term business),

Status: Point in time view as at 01/01/2023.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Section 78. (See end of Document for details)

section 88(6) (excess of debits in respect of intangible fixed assets),
 section 89(2) (excess of miscellaneous losses),
 paragraph 16(1) of Schedule 7 to FA 1991 (transitional relief for old general annuity contracts),
 section 256(2)(a) of CAA 2001 (allowances in respect of plant or machinery consisting of management asset),
 [F²section 270HH of CAA 2001 (allowances in respect of structures or buildings consisting of management asset),]
 section 391(3) of CTA 2009 (loan relationships: carry forward of surplus to next accounting period),
 F³ ...
 section 1162 of CTA 2009 (additional relief for remediation of contaminated or derelict land), or
 section [F⁴814C(7)] of CTA 2010 (manufactured dividends).

- (4) “Expenses reversed in the accounting period” means the total amount of the expenses—
- (a) which were relieved in any previous accounting period in accordance with step 1 F⁵ ... or step 3 of section 76, but
 - (b) which are subsequently reversed in the accounting period.
- (5) A “BLAGAB trade loss relieved for the accounting period” [F⁶means any of the following—
- (a) a BLAGAB trade loss of the company for the accounting period in question, so far as relief is given for the loss under—
 - (i) section 37 of CTA 2010 (relief for trade losses against total income), as applied by section 123, or
 - (ii) Chapter 4 of Part 5 of that Act (group relief), as applied by section 125;
 - (b) an amount deducted under section 124B (relief for excess carried forward post-1 April BLAGAB trade losses) from the company's total profits of the accounting period in question;
 - (c) an amount of a BLAGAB trade loss of the company relieved under Chapter 3 of Part 5A of CTA 2010 (group relief for carried-forward losses) if the surrender period (see section 188BB(7)) to which the claim relates is the accounting period in question.]

Textual Amendments

- F1** Words in s. 78(3) omitted (with effect in relation to accounting periods of companies beginning on or after 1.1.2023 of the commencing S.I.) by virtue of Finance Act 2022 (c. 3), Sch. 5 paras. 3(2)(c)(i), 4; S.I. 2022/1164, reg. 2(1) (with reg. 2(2))
- F2** Words in s. 78(3) inserted (5.7.2019) by The Capital Allowances (Structures and Buildings Allowances) Regulations 2019 (S.I. 2019/1087), regs. 1, 10
- F3** Words in s. 78(3) omitted (with effect in accordance with Sch. 15 paras. 28, 29 of the amending Act) by virtue of Finance Act 2013 (c. 29), Sch. 15 para. 26(2)
- F4** Word in s. 78(3) substituted (1.1.2014) by Finance Act 2013 (c. 29), Sch. 1 para. 52, Sch. 29 para. 50(3)
- F5** Words in s. 78(4)(a) omitted (with effect in relation to accounting periods of companies beginning on or after 1.1.2023 of the commencing S.I.) by virtue of Finance Act 2022 (c. 3), Sch. 5 paras. 3(2)(c)(ii), 4; S.I. 2022/1164, reg. 2(1) (with reg. 2(2))

Status: Point in time view as at 01/01/2023.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Section 78. (See end of Document for details)

F6 Words in s. 78(5) substituted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 4 para. 184**

Status:

Point in time view as at 01/01/2023.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2012, Section 78.