
STATUTORY INSTRUMENTS

2001 No. 3629

The Financial Services and Markets Act 2000
(Consequential Amendments) (Taxes) Order 2001

PART 2

AMENDMENTS TO PRIMARY LEGISLATION

The Finance Act 1993 (c. 34)

Introduction

75. Amend the Finance Act 1993 in accordance with Articles 76 to 82.

Deferral of unrealised gains

76.—(1) Amend section 143 (deferral of gains: supplementary) as follows.

(2) In subsection (5)(a) for “long term” substitute “long-term”.

(3) In subsection (6) for the definition of “long term insurance business” substitute—

““long-term insurance business” means business which consists of the effecting or carrying out of contracts which fall within Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;”.

Early termination of currency contract

77. In section 146(16)(a) (early termination of currency contract) for “long term” substitute “long-term”.

Insurance companies

78. In section 168(7) (insurance companies)(1) for the words from “any insurance” to the end substitute “the business of effecting or carrying out contracts of insurance and, for the purposes of this subsection, “contract of insurance” has the meaning given by Article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.”.

Interpretation

79. In section 184(1) (interpretation) for the definition of “premiums trust fund” substitute—

““premium trust fund” means a trust fund into which premiums receivable by members are paid in compliance with a trust deed under section 10.3 of the Lloyd’s Sourcebook made by the Financial Services Authority under the Financial Services and Markets Act 2000(2);”.

Exchange gains and losses: alternative calculations

80.—(1) Amend paragraph 2 of Schedule 15 (power to make provision about alternative calculations in relation to exchange gains and losses where asset held in exempt circumstances) as follows.

- (2) In sub-paragraph (4)(a) for “long term” substitute “long-term”.
- (3) In sub-paragraph (5) for the definition of “long term insurance business” substitute—
 - ““long-term insurance business” means business which consists of the effecting or carrying out of contracts which fall within Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;”.

Exchange gains and losses: chargeable gains

81.—(1) Amend Schedule 17 (exchange gains and losses: chargeable gains) as follows.

- (2) In paragraph 3—
 - (a) in sub-paragraph (2)(a) for “long term” substitute “long-term”;
 - (b) in sub-paragraph (3) for the definition of “long term insurance business” substitute—
 - ““long-term insurance business” means business which consists of the effecting or carrying out of contracts which fall within Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;”.
- (3) In paragraph 7(4)—
 - (a) in paragraph (a) for “long term” substitute “long-term”;
 - (b) for the words immediately after paragraph (b) substitute “and “long-term insurance business” means business which consists of the effecting or carrying out of contracts which fall within Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.”.

Miscellaneous amendments

82. In the following places for “premiums” substitute “premium”—

- (a) section 171(2B)(3);
- (b) section 172(1)(b)(4);
- (c) the sidenote to section 174 and subsections (1)(a), (2) and (3) of that section(5);
- (d) section 182(1)(ca)(6);
- (e) section 184(1) (in the definition of “ancillary trust fund”) and (2)(b)(7);
- (f) paragraph 1(b) of Schedule 19;

(2) This sourcebook is part of the FSA Handbook. The FSA Handbook may be purchased on paper and on CD Rom from the Publications Department (Sales), Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS and is available on line at www.fsa.gov.uk.

(3) Section 171(2B) was inserted by section 22(1) of the Finance (No. 2) Act 1997.

(4) Section 172(1)(b) was substituted by paragraph 2 of Schedule 21 to the Finance Act 1994.

(5) Section 174 was relevantly amended by paragraph 3 of Schedule 21 to the Finance Act 1994.

(6) Section 182(1)(ca) was inserted by section 83(2) of the Finance Act 1995 and amended by paragraph 6(a) of Schedule 10, and Part 6(10) of Schedule 18, to the Finance Act 1997.

(7) Section 184(1) was relevantly amended by paragraph 8 of Schedule 21, and Part 5(25) of Schedule 26, to the Finance Act 1994.

- (g) the following paragraphs of Schedule 20—
 - (i) paragraph 4(1) and (2);
 - (ii) paragraph 5(1).