



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XVIII

DOUBLE TAXATION RELIEF

CHAPTER II

RULES GOVERNING RELIEF BY WAY OF CREDIT

Miscellaneous rules

804 Relief against income tax in respect of income arising in years of commencement.

- ^{M1}(1) Subject to the provisions of this section, credit for overseas tax paid in respect of [^{F1}any income which is an overlap profit] shall be allowed under this Part against United Kingdom income tax chargeable for any year of assessment in respect of that income if it would have been so allowed but for the fact that credit for that overseas tax had been allowed against the United Kingdom income tax chargeable in respect of that income for a previous year of assessment.
- (2) The amount of credit to be allowed in respect of any income by virtue of this section for any year of assessment shall not exceed the difference between—
- the total credit allowable against income tax in respect of that income under this Part (including this section) for all years of assessment for which credit is so allowable; and
 - the amount of credit which was in fact so allowed in respect of that income for any earlier year or years of assessment.
- (3) The total credit so allowable in respect of any income for all those years of assessment shall be taken to be the amount of the overseas tax charged on that income, adjusted where the number of the United Kingdom periods of assessment exceeds the number of foreign periods of assessment, in the proportion which the former number bears to the latter, a period for which part only of the income is charged to tax being counted

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not as one period but as a fraction equal to the proportion which that part of the income bears to the whole of the income.

- (4) Where the same income is charged to different overseas taxes for different foreign periods of assessment, subsection (3) above, so far as it relates to the adjustment of overseas tax, shall be applied separately to each of the overseas taxes, and the total credit allowable shall be the aggregate of those taxes after the making of any adjustments in accordance with that subsection as so applied.
- [^{F2}(5) Subsections (5A) and (5B) below apply where—
- (a) credit against income tax for any year of assessment is allowed by virtue of subsection (1) above in respect of any income which is an overlap profit (“the original income”), and
 - (b) the original income or any part of it contributes to an amount which, by virtue of section 63A(1) or (3), is deducted in computing the profits or gains of a subsequent year of assessment (“the subsequent year”).
- (5A) The following shall be set off one against the other, namely—
- (a) the difference between—
 - (i) the amount of the credit which, under this Part (including this section), has been allowed against income tax in respect of so much of the original income as contributes as mentioned in subsection (5) above, and
 - (ii) the amount of the credit which, apart from this section, would have been so allowed; and
 - (b) the amount of credit which, on the assumption that no amount were deducted by virtue of section 63A(1) or (3), would be allowable under this Part against income tax in respect of income arising in the subsequent year from the same source as the original income.
- (5B) The person chargeable in respect of the income (if any) arising in the subsequent year from the same source as the original income shall—
- (a) if the amount given by paragraph (a) of subsection (5A) above exceeds that given by paragraph (b) of that subsection, be treated as having received in that year a payment chargeable under Case VI of Schedule D of an amount such that income tax on it at the basic rate is equal to the excess; and
 - (b) if the amount given by paragraph (b) of subsection (5A) above exceeds that given by paragraph (a) of that subsection, be allowed for that year under this Part an amount of credit equal to the excess.
- (5C) For the purposes of subsections (5) to (5B) above, it shall be assumed that, where an amount is deducted by virtue of section 63A(1), each of the overlap profits included in the aggregate of such profits contributes to that amount in the proportion which that overlap profit bears to that aggregate.]
- (6) Any payment which a person is treated by virtue of subsection (5) above as having received shall not on that account constitute income of his for any of the purposes of the Income Tax Acts other than that subsection and in particular no part thereof shall constitute profits or gains brought into charge to income tax for the purposes of section 348.
- (7) Any claim for relief by way of credit under subsection (1) above against income tax for any year of assessment shall be made [^{F3}on or before the fifth anniversary of the 31st January next following] that year or, where there is more than one year of assessment

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in respect of which such relief may be given, [^{F3}on or before the fifth anniversary of the 31st January next following] the later of them.

(8) In this section—

[^{F4}“overlap profit” means an amount of profits or gains which, by virtue of sections 60 to 62, is included in the computations for two successive years of assessment;]

“overseas tax” means tax under the law of a territory outside the United Kingdom;

^{F5}

“United Kingdom period of assessment” and “foreign period of assessment”, in relation to any income, mean respectively a year or other period for which under the relevant law the income falls to be charged to the relevant tax;

^{F5}

^{F6}

.....; and

references to income arising in any year include, in relation to income the income tax on which is to be computed by reference to the amount of income received in the United Kingdom, references to income received in that year.

Textual Amendments

- F1** Words in s. 804(1) substituted (with effect in accordance with s. 218 of the amending Act) by Finance Act 1994 (c. 9), s. 217(1) (with Sch. 20 para. 12(1))
- F2** S. 804(5)-(5C) substituted for s. 804(5) (with effect in accordance with s. 218 of the amending Act) by Finance Act 1994 (c. 9), s. 217(2) (with Sch. 20 para. 12(1))
- F3** Words in s. 804(7) substituted (with effect in accordance with s. 135(2) of the amending Act) by Finance Act 1996 (c. 8), Sch. 21 para. 22
- F4** S. 804(8): definition of “overlap profit” inserted (with effect in accordance with s. 218 of the amending Act) by Finance Act 1994 (c. 9), s. 217(3)(a) (with Sch. 20 para. 12(1))
- F5** S. 804(8): definitions of “non-basis period” and “years of commencement” repealed (with effect in accordance with s. 218 of the repealing Act) by Finance Act 1994 (c. 9), s. 217(3)(b), Sch. 26 Pt. 5(24), Note 7 (with Sch. 20 para. 12(1))
- F6** Words in s. 804(8) repealed (with effect in accordance with s. 218 of the repealing Act) by Finance Act 1994 (c. 9), s. 217(3)(b), Sch. 26 Pt. 5(24), Note 7 (with Sch. 20 para. 12(1))

Marginal Citations

- M1** Source—1970 s.510; 1971 Sch.6 75

VALID FROM 07/04/2005

[^{F7}804ZA] Schemes and arrangements designed to increase relief

- (1) If the Board consider, on reasonable grounds, that conditions A to D are or may be satisfied in relation to any income or chargeable gain taken or to be taken into account for the purposes of determining a person's liability to tax in a chargeable period, they may give the person a notice under this section.

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- (2) Condition A is that, in the case of the person, there is in respect of the income or gain an amount of foreign tax for which, under any arrangements, credit is allowable against United Kingdom tax for that chargeable period.
- (3) Condition B is that there is a scheme or arrangement the main purpose, or one of the main purposes, of which is to cause an amount of foreign tax to be taken into account in the case of the person for that chargeable period.
- (4) Condition C is that the scheme or arrangement is a prescribed scheme or arrangement.
- (5) Condition D is that the amount referred to in subsection (6) is more than a minimal amount.
- (6) The amount is the aggregate of—
 - (a) the aggregate amount of the claims for credit that the person has made, or is in a position to make, for the chargeable period; and
 - (b) for all the persons connected to that person, the aggregate amount of the claims for credit that the connected person has made, or is in a position to make, for a corresponding chargeable period.
- (7) A chargeable period of a person (“A”) corresponds to a chargeable period of another person (“B”) if at least one day of A's chargeable period falls within B's chargeable period.
- (8) A notice under this section is a notice—
 - (a) informing the person of the Board's view under subsection (1),
 - (b) specifying the chargeable period in relation to which the Board formed that view,
 - (c) if the amount of foreign tax considered by the Board to satisfy condition B is an amount of underlying tax, specifying the body corporate resident in a territory outside the United Kingdom whose payment of foreign tax is relevant to that underlying tax, and
 - (d) informing the person that as a consequence section 804ZB has effect in relation to him.
- (9) A notice under this section may specify the adjustments of a person's tax return that, in the view of the Board, fall to be made by him under section 804ZB(2).
- (10) The adjustments specified may, in a case where the notice given to a person specifies a body corporate resident outside the United Kingdom, include treating the body corporate as having paid or being liable to pay only so much foreign tax as would have been allowed to it as a credit if it were resident in the United Kingdom and a notice under this section had been given to it as regards an amount of foreign tax.
- (11) Schedule 28AB makes provision about what constitutes a prescribed scheme or arrangement.
- (12) In this section and sections 804ZB and 804ZC “tax return” means—
 - (a) a return under section 8, 8A or 12AA of the Management Act, or
 - (b) a company tax return;
 and “company tax return” means the return required to be delivered pursuant to a notice under paragraph 3 of Schedule 18 to the Finance Act 1998, as read with paragraph 4 of that Schedule.]

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Textual Amendments

- F7** Ss. 804ZA-804ZC inserted (with effect in accordance with s. 87(3)-(5) of the amending Act) by Finance Act 2005 (c. 7), s. 87(1)

VALID FROM 07/04/2005

[^{F7}804ZE] Effect of notice under section 804ZA

- (1) This section applies in relation to a person if—
 - (a) a notice under section 804ZA has been given to the person in respect of a chargeable period specified in the notice, and
 - (b) the chargeable period specified is a chargeable period in relation to which conditions A to D of section 804ZA are satisfied.
- (2) The person must in his tax return for the period make (or must amend his return for the period so as to make) such adjustments as are necessary for counteracting the effects of the scheme or arrangement in that period that are referable to the purpose referred to in condition B of section 804ZA.]

Textual Amendments

- F7** Ss. 804ZA-804ZC inserted (with effect in accordance with s. 87(3)-(5) of the amending Act) by Finance Act 2005 (c. 7), s. 87(1)

VALID FROM 07/04/2005

[^{F7}804ZC] Notices under section 804ZA: further provision

- (1) Subsection (2) applies if the Board give a notice to a person under section 804ZA before the person has made his tax return for the chargeable period specified in the notice.
- (2) If the person makes a tax return for that period before the end of the period of 90 days beginning with the day on which the notice is given, he may—
 - (a) make a tax return that disregards the notice, and
 - (b) at any time after making the return and before the end of the period of 90 days, amend the return for the purpose of complying with the notice.
- (3) If a person has made a tax return for a chargeable period, the Board may only give him a notice under section 804ZA in relation to that period if a notice of enquiry has been given to him in respect of his tax return for that period.
- (4) After any enquiries into the person's tax return for that period have been completed, the Board may only give him a notice under section 804ZA in relation to that period if the requirements in subsections (5) and (7) are satisfied.
- (5) The first requirement is that at the time the enquiries were completed, the Board could not have been reasonably expected, on the basis of the information made

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available to them or to an officer of theirs before that time, to have been aware that the circumstances were such that a notice under section 804ZA could have been given to the person in relation to that period.

- (6) For the purposes of subsection (5)—
- (a) section 29(6) and (7) of the Management Act (information made available) applies as it applies for the purposes of section 29(5), and
 - (b) paragraph 44(2) and (3) of Schedule 18 to the Finance Act 1998 applies as it applies for the purposes of paragraph 44(1).
- (7) The second requirement is that—
- (a) the person was requested to produce, provide or furnish information during an enquiry into the return for that period, and
 - (b) if the person had duly complied with the request, the Board could have been reasonably expected to give the person a notice under section 804ZA in relation to that period.
- (8) If a person is given a notice under section 804ZA in relation to a chargeable period after having made a tax return for that period, the person may amend the return for the purpose of complying with the notice at any time before the end of the period of 90 days beginning with the day on which the notice is given.
- (9) If the notice under section 804ZA is given to the person after he has been given a notice of enquiry in respect of his tax return for the period, no closure notice may be given in relation to his tax return until—
- (a) the end of the period of 90 days beginning with the day on which the notice under section 804ZA is given, or
 - (b) the earlier amendment of the return for the purpose of complying with the notice.
- (10) If the notice under section 804ZA is given to the person after any enquiries into the return for the period are completed, no discovery assessment may be made as regards the income or chargeable gain to which the notice relates until—
- (a) the end of the period of 90 days beginning with the day on which the notice under section 804ZA is given, or
 - (b) the earlier amendment of the return for the purpose of complying with the notice.
- (11) Subsections (2)(b) and (8) do not prevent a person's tax return for a chargeable period becoming incorrect if—
- (a) a notice under section 804ZA is given to the person in relation to that period,
 - (b) the return is not amended in accordance with subsection (2)(b) or (8) for the purpose of complying with the notice, and
 - (c) the return ought to have been so amended.
- (12) In this section—
- “closure notice” means a notice under—
 - (a) section 28A or 28B of the Management Act, or
 - (b) paragraph 32 of Schedule 18 to the Finance Act 1998;
 - “discovery assessment” means an assessment under—
 - (a) section 29 of the Management Act, or
 - (b) paragraph 41 of Schedule 18 to the Finance Act 1998;

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- “notice of enquiry” means a notice under—
- (a) section 9A or 12AC of the Management Act, or
 - (b) paragraph 24 of Schedule 18 to the Finance Act 1998.]

Textual Amendments

- F7** Ss. 804ZA-804ZC inserted (with effect in accordance with s. 87(3)-(5) of the amending Act) by Finance Act 2005 (c. 7), s. 87(1)

[^{F8}804A Overseas life assurance business: restriction of credit.

- (1) Subsection (2) below applies where credit for tax which is payable under the laws of a territory outside the United Kingdom and computed otherwise than wholly by reference to profits arising in that territory is to be allowed (in accordance with this Part) against corporation tax charged by virtue of section 441 in respect of the profits of a company’s overseas life assurance business for an accounting period.
- (2) Where this subsection applies, the amount of the credit shall not exceed the greater of—
 - (a) any such part of the tax payable under the laws of the territory outside the United Kingdom as is charged by reference to profits arising in that territory, and
 - (b) the shareholders’ share of the tax so payable.
- (3) For the purposes of subsection (2) above the shareholders’ share of tax payable under the laws of a territory outside the United Kingdom is so much of that tax as is represented by the fraction

$$\frac{A}{B}$$

where—

A is an amount equal to the profits of the company for the period which are chargeable to tax under section 441; and

B is an amount equal to the excess of—

- (a) the amount taken into account as receipts of the company in computing those profits, apart from premiums and sums received by virtue of a claim under a reinsurance contract, over
 - (b) the amounts taken into account as expenses^{F9} . . . in computing those profits.
- (4) Where there is no such excess as is mentioned in subsection (3) above, or where the profits are greater than any excess, the whole of the tax payable under the laws of the territory outside the United Kingdom shall be the shareholders’ share; and (subject to that) where there are no profits, none of it shall be the shareholders’ share.
 - (5) Where, by virtue of this section, the credit for any tax payable under the laws of a territory outside the United Kingdom is less than it otherwise would be, section 795(2) (a) shall not prevent a deduction being made for the difference in computing the profits of the overseas life assurance business.]

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Textual Amendments

- F8** S. 804A inserted (with effect in accordance with Sch. 7 para. 10 of the amending Act) by Finance Act 1990 (c. 29), Sch. 7 para. 5
- F9** Words in s. 804A(3) repealed (with effect in accordance with s. 105(1) of the repealing Act) by Finance Act 1996 (c. 8), Sch. 41 Pt. 5(3), Note

VALID FROM 28/07/2000

[^{F10}804B Insurance companies carrying on more than one category of business: restriction of credit.

- (1) Where—
- (a) an insurance company carries on more than one category of business in an accounting period, and
 - (b) there arises to the company in that period any income or gain (“the relevant income”) in respect of which credit for foreign tax falls to be allowed under any arrangements,
- subsection (2) below shall have effect.
- (2) In any such case, the amount of the credit for foreign tax which, under the arrangements, is allowable against corporation tax in respect of so much of the relevant income as is referable (in accordance with the provisions of sections 432ZA to 432E) to a particular category of business must not exceed the fraction of the foreign tax which, in accordance with the following provisions of this section, is attributable to that category of business.
- (3) Where the relevant income arises from an asset—
- (a) which is linked solely to a category of business (other than overseas life assurance business), or
 - (b) which is an asset of the company’s overseas life assurance fund,
- the whole of the foreign tax is attributable to the category mentioned in paragraph (a) above or, as the case may be, to the company’s overseas life assurance business, unless the case is one where subsection (7) below applies in relation to the category of business in question.
- (4) Where subsection (3) above does not apply and the category of business in question is—
- (a) basic life assurance and general annuity business, or
 - (b) long term business which is not life assurance business,
- the fraction of the foreign tax that is attributable to that category of business is the fraction whose numerator is the part of the relevant income which is referable to that category by virtue of any provision of section 432A and whose denominator is the whole of the relevant income.
- (5) Subsections (6) and (7) below apply where the category of business in question is neither—
- (a) basic life assurance and general annuity business; nor
 - (b) long term business which is not life assurance business.

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- (6) Where—
- (a) subsection (3) above does not apply, and
 - (b) some or all of the relevant income is taken into account in accordance with section 83 of the ^{M2}Finance Act 1989 in an account in relation to which the provisions of section 432C or 432D apply,
- the fraction of the foreign tax that is attributable to the category of business in question is the fraction whose numerator is the part of the relevant income which is referable to that category by virtue of any provision of section 432C or 432D and whose denominator is the whole of the relevant income.
- (7) Where some or all of the relevant income falls to be taken into account in determining in accordance with section 83(2) of the Finance Act 1989 the amount referred to in section 432E(1) as the net amount, the fraction of the foreign tax that is attributable to the category of business in question is the fraction—
- (a) whose numerator is the part of that net amount which is referable by virtue of section 432E to that category; and
 - (b) whose denominator is the whole of that net amount.
- (8) No part of the foreign tax is attributable to any category of business except as provided by subsections (3) to (7) above.
- (9) Where for the purposes of this section an amount of foreign tax is attributable to a category of life assurance business other than basic life assurance and general annuity business, credit in respect of the foreign tax so attributable shall be allowed only against corporation tax in respect of profits chargeable under Case VI of Schedule D arising from carrying on that category of business.]

Textual Amendments

F10 S. 804B inserted (with effect in accordance with [Sch. 30 para. 17\(2\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 30 para. 17\(1\)](#)

Modifications etc. (not altering text)

C17 S. 804B modified (25.10.2000) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) Regulations 1997 \(S.I. 1997/473\)](#), [reg. 30C](#) (as inserted by [The Friendly Societies \(Modification of the Corporation Tax Acts\) \(Amendment\) Regulations 2000 \(S.I. 2000/2710\)](#), [regs. 1, 6](#); and as amended by [S.I. 2004/822](#), [regs. 1, 25](#))

Marginal Citations

M2 1989 c. 26.

VALID FROM 28/07/2000

[^{F11}804C Insurance companies: allocation of expenses etc in computations under Case I of Schedule D.

- (1) Where—
- (a) an insurance company carries on any category of insurance business in a period of account,

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- (b) a computation in accordance with the provisions applicable to Case I of Schedule D falls to be made in relation to that category of business for that period, and
 - (c) there arises to the company in that period any income or gain in respect of which credit for foreign tax falls to be allowed under any arrangements,
- subsection (2) below shall have effect.
- (2) In any such case, the amount of the credit for foreign tax which, under the arrangements, is to be allowed against corporation tax in respect of so much of that income or gain as is referable to the category of business concerned (“the relevant income”) shall be limited by treating the amount of the relevant income as reduced in accordance with subsections (3) and (4) below.
- (3) The first limitation is to treat the amount of the relevant income as reduced (but not below nil) for the purposes of this Chapter by the amount of expenses (if any) attributable to the relevant income.
- (4) If—
- (a) the amount of the relevant income after any reduction under subsection (3) above,
exceeds
 - (b) the relevant fraction of the profits of the category of business concerned for the period of account in question which are chargeable to corporation tax,
- the second limitation is to treat the relevant amount as further reduced (but not below nil) for the purposes of this Chapter to an amount equal to that fraction of those profits.
- In this subsection any reference to the profits of a category of business is a reference to those profits after the set off of any losses of that category of business which have arisen in any previous accounting period.
- (5) In determining the amount of the credit for foreign tax which is to be allowed as mentioned in subsection (2) above, the relevant amount shall not be reduced except in accordance with that subsection.
- (6) For the purposes of subsection (3) above, the amount of expenses attributable to the relevant income is the appropriate fraction of the total relevant expenses of the category of business concerned for the period of account in question.
- (7) In subsection (6) above, the “appropriate fraction” means the fraction—
- (a) whose numerator is the amount of the relevant income before any reduction in accordance with subsection (2) above, and
 - (b) whose denominator is the total income of the category of business concerned for the period of account in question,
- unless the denominator so determined is nil, in which case the denominator shall instead be the amount described in subsection (8) below.
- (8) That amount is so much in total of the income and gains—
- (a) which arise to the company in the period of account in question, and
 - (b) in respect of which credit for foreign tax falls to be allowed under any arrangements,

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as are referable to the category of business concerned (before any reduction in accordance with subsection (2) above).

- (9) In subsection (4) above, the “relevant fraction” means the fraction—
- (a) whose numerator is the amount of the relevant income before any reduction in accordance with subsection (2) above; and
 - (b) whose denominator is the amount described in subsection (8) above.
- (10) Where a 75 per cent subsidiary of an insurance company is acting in accordance with a scheme or arrangement and—
- (a) the purpose, or one of the main purposes, of that scheme or arrangement is to prevent or restrict the application of subsection (2) above to the insurance company, and
 - (b) the subsidiary does not carry on insurance business of any description, the amount of corporation tax attributable (apart from this subsection) to any item of income or gain arising to the subsidiary shall be found by setting off against that item the amount of expenses that would be attributable to it under subsection (3) above if that item had arisen directly to the insurance company.
- (11) Where the credit allowed for any tax payable under the laws of a territory outside the United Kingdom is, by virtue of subsection (2) above, less than it would be if the relevant income were not treated as reduced in accordance with that subsection, section 795(2)(a) shall not prevent a deduction being made for the difference in computing the profits of the category of business concerned.
- (12) Where, by virtue of subsection (10) above, the credit allowed for any tax payable under the laws of a territory outside the United Kingdom is less than it would be apart from that subsection, section 795(2)(a) shall not prevent a deduction being made for the difference in computing the income of the 75 per cent subsidiary.
- (13) Any reference in this section to any income or gain being to any extent referable to a category of insurance business shall, in the case of—
- (a) life assurance business or any category of life assurance business, or
 - (b) long term business which is not life assurance business,
- be taken as a reference to the income or gain being to that extent referable to that category of business for the purposes of Chapter I of Part XII.
- (14) This section shall be construed—
- (a) in accordance with section 804D, where the category of business concerned is life assurance business or a category of life assurance business; and
 - (b) in accordance with section 804E, where the category of business concerned is not life assurance business or any category of life assurance business.]

Textual Amendments

- F11** Ss. 804C-804E inserted (with effect in accordance with [Sch. 30 para. 18\(4\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 30 para. 18\(1\)](#)

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Changes to legislation: Income and Corporation Taxes Act 1988, Cross Heading: Miscellaneous rules is up to date with all changes known to be in force on or before 18 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

VALID FROM 28/07/2000

[^{F11}804D Interpretation of section 804C in relation to life assurance business etc.

- (1) This section has effect for the interpretation of section 804C where the category of business concerned is life assurance business or a category of life assurance business.
- (2) The “total income” of the category of business concerned for the period of account in question is the amount (if any) by which—
 - (a) so much of the total income shown in the revenue account in the periodical return of the company concerned for that period as is referable to that category of business,
exceeds
 - (b) so much of any commissions payable and any expenses of management incurred in connection with the acquisition of the business, as shown in that return, so far as referable to that category of business.
- (3) Where any amounts fall to be brought into account in accordance with section 83 of the ^{M3}Finance Act 1989, the amounts that are referable to the category of business concerned shall be determined for the purposes of subsection (2) above in accordance with sections 432B to 432F.
- (4) The “total relevant expenses” of the category of business concerned for any period of account is the amount of the claims incurred—
 - (a) increased by any increase in the liabilities of the company, or
 - (b) reduced (but not below nil) by any decrease in the liabilities of the company.
- (5) For the purposes of subsection (4) above, the amounts to be taken into account in the case of any period of account are the amounts as shown in the company’s periodical return for the period so far as referable to the category of business concerned.]

Textual Amendments

- F11** Ss. 804C-804E inserted (with effect in accordance with [Sch. 30 para. 18\(4\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 30 para. 18\(1\)](#)

Modifications etc. (not altering text)

- C18** S. 804D modified (25.10.2000) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) Regulations 1997 \(S.I. 1997/473\)](#), [reg. 30D](#) (as inserted by [The Friendly Societies \(Modification of the Corporation Tax Acts\) \(Amendment\) Regulations 2000 \(S.I. 2000/2710\)](#), [regs. 1, 6](#); and as amended by [S.I. 2004/822](#), [regs. 1, 26](#))
- C19** S. 804D modified (12.8.2005 with effect in accordance with [reg. 1\(2\)](#) of the modifying S.I.) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) Regulations 2005 \(S.I. 2005/2014\)](#), [regs. 1\(1\), 24](#)

Marginal Citations

- M3** [1989 c. 26](#).

Status: Point in time view as at 19/03/1997. This version of this cross heading contains provisions that are not valid for this point in time.

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VALID FROM 28/07/2000

[^{F11}804E Interpretation of section 804C in relation to other insurance business.

- (1) This section has effect for the interpretation of section 804C where the category of business concerned is not life assurance business or any category of life assurance business.
- (2) The “total income” of the category of business concerned for any period of account is the amount (if any) by which—
 - (a) the sum of the amounts specified in subsection (3) below, exceeds
 - (b) the sum of the amounts specified in subsection (4) below.
- (3) The amounts mentioned in subsection (2)(a) above are—
 - (a) earned premiums, net of reinsurance;
 - (b) investment income and gains;
 - (c) other technical income, net of reinsurance;
 - (d) any amount treated under section 107(2) of the Finance Act 2000 as a receipt of the company’s trade.
- (4) The amounts mentioned in subsection (2)(b) above are—
 - (a) acquisition costs;
 - (b) the change in deferred acquisition costs;
 - (c) losses on investments.
- (5) The “total relevant expenses” of the category of business concerned for any period of account is the sum of—
 - (a) the claims incurred, net of reinsurance,
 - (b) the changes in other technical provisions, net of reinsurance,
 - (c) the change in the equalisation provision, and
 - (d) investment management expenses,unless that sum is a negative amount, in which case the total relevant expenses shall be taken to be nil.
- (6) The amounts to be taken into account for the purposes of the paragraphs of subsections (3) to (5) above are the amounts taken into account for the purposes of corporation tax.
- (7) Expressions used—
 - (a) in the paragraphs of subsections (3) to (5) above, and
 - (b) in the provisions of section B of Schedule 9A to the ^{M4}Companies Act 1985 (form and content of accounts of insurance companies and groups) which relate to the profit and loss account format (within the meaning of paragraph 7(1) of that section),have the same meaning in those paragraphs as they have in those provisions.]

Status: Point in time view as at 19/03/1997. This version of this cross heading contains provisions that are not valid for this point in time.

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Textual Amendments

F11 Ss. 804C-804E inserted (with effect in accordance with [Sch. 30 para. 18\(4\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 30 para. 18\(1\)](#)

Marginal Citations

M4 1985 c. 6.

VALID FROM 28/07/2000

[^{F12}804F Interpretation of sections 804A to 804E.

Expressions used in sections 804A to 804E and in Chapter I of Part XII have the same meaning in those sections as in that Chapter.]

Textual Amendments

F12 S. 804F inserted (with effect in accordance with [Sch. 30 para. 19\(2\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 30 para. 19\(1\)](#)

VALID FROM 21/07/2009

[^{F13}804G Reduction in credit: payment by reference to foreign tax

- (1) This section applies if—
 - (a) credit for foreign tax falls to be allowed to a person (“P”) under any arrangements, and
 - (b) a payment is made by a tax authority to P, or any person connected with P, by reference to the foreign tax.
- (2) The amount of that credit is to be reduced by an amount equal to that payment.
- (3) Section 839 applies for the purposes of determining whether or not a person is connected with P.]

Textual Amendments

F13 S. 804G inserted (with effect in accordance with [s. 59\(13\)](#) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [s. 59\(2\)](#)

805 Elections against credit.

^{M5}Credit shall not be allowed under any arrangements against the United Kingdom taxes chargeable in respect of any income or chargeable gains of any person if he elects that credit shall not be allowed in respect of that income or those gains

Status: Point in time view as at 19/03/1997. This version of this cross heading contains provisions that are not valid for this point in time.

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Modifications etc. (not altering text)

C20 See s.732(4)—dealers in securities.

C21 Ss. 805, 806 applied (31.12.2006 with effect in accordance with reg. 1(2) of the affecting S.I.) by [The Lloyd's Underwriters \(Double Taxation Relief\) \(Corporate Members\) Regulations 2006 \(S.I. 2006/3262\)](#), **regs. 1(1), 4**

Marginal Citations

M5 Source—1970 s.511; 1972 s.100(1)

806 Time limit for claims etc.

^{M6}(1) Subject to subsection (2) below and section 804(7), any claim for an allowance under any arrangements by way of credit for foreign tax in respect of any income or chargeable gain—

[^{F14}(a) shall, in the case of any income or chargeable gain which—

- (i) falls to be charged to income tax for a year of assessment, or
- (ii) would fall to be charged to income tax for a year of assessment if any income tax were chargeable in respect of the income or gain, be made on or before the fifth anniversary of the 31st January next following that year of assessment;

(b) shall, in the case of any income or chargeable gain which—

- (i) falls to be charged to corporation tax for an accounting period, or
- (ii) would fall to be charged to corporation tax for an accounting period if any corporation tax were chargeable in respect of the income or gain, be made not more than six years after the end of that accounting period.]

(2) Where the amount of any credit given under the arrangements is rendered excessive or insufficient by reason of any adjustment of the amount of any tax payable either in the United Kingdom or under the laws of any other territory, nothing in the Tax Acts limiting the time for the making of assessments or claims for relief shall apply to any assessment or claim to which the adjustment gives rise, being an assessment or claim made not later than six years from the time when all such assessments, adjustments and other determinations have been made, whether in the United Kingdom or elsewhere, as are material in determining whether any and if so what credit falls to be given.

Textual Amendments

F14 [S. 806\(1\)\(a\)\(b\)](#) substituted for words in s. 806(1) (with effect in accordance with [s. 135\(2\)](#) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), **Sch. 21 para. 23**

Modifications etc. (not altering text)

C22 See s.448—overseas life assurance companies.

Marginal Citations

M6 Source—1970 s.512

Status:

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Changes to legislation:

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