



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XII **U.K.**

SPECIAL CLASSES OF COMPANIES AND BUSINESSES

CHAPTER I **U.K.**

INSURANCE COMPANIES, UNDERWRITERS AND CAPITAL REDEMPTION BUSINESS

[^{F1}Separation of different categories of business]

[^{F1}432AA] Schedule A business or overseas property business. **U.K.**

- (1) An insurance company is treated as carrying on separate Schedule A businesses, or overseas property businesses, in accordance with the following rules.
- (2) The exploitation of land held as an asset of the company's [^{F2}long-term insurance fund] is treated as a separate business from the exploitation of land not so held.
- (3) The exploitation of land held as an asset of the company's overseas life assurance fund is treated as a separate business from the exploitation of other land held as an asset of its [^{F2}long-term insurance fund].
- (4) The exploitation of land held as an asset linked to any of the following categories of business is regarded as a separate business—
 - (a) pension business;
 - (b) life reinsurance business;
 - (c) basic life assurance and general annuity business;
 - (d) [^{F3}long-term] business other than life assurance business.

Status: Point in time view as at 17/04/2007. This version of this provision has been superseded.

Changes to legislation: *Income and Corporation Taxes Act 1988, Section 432AA is up to date with all changes known to be in force on or before 15 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)*

- (5) Accordingly, the exploitation of land held as an asset of the company's [^{F2}long-term insurance fund] otherwise than as mentioned in subsection (3) or (4) is treated as a separate business from any other.
- (6) In this section "land" means any estate, interest or rights in or over land.]

Textual Amendments

- F1** Ss. 432AA, 432AB inserted (with effect in accordance with s. 38(2)(3) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 5 para 39** (with Sch. 5 para. 73)
- F2** Words in s. 432AA(2)(3)(5) substituted (1.12.2001 with effect in accordance with art. 1(2)(a) of the amending S.I.) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), **art. 52(1)(d)**
- F3** Word in s 432AA(4)(d) substituted (1.12.2001 with effect in accordance with art. 1(2)(a) of the amending S.I.) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), **art. 52(2)(d)**

Modifications etc. (not altering text)

- C1** S. 432AA modified by The Friendly Societies (Modification of the Corporation Tax Acts) Regulations 1997 (S.I. 1997/473), **reg. 13A** (as inserted (13.10.1999) by The Friendly Societies (Modification of the Corporation Tax Acts) (Amendment) Regulations 1999 (S.I. 1999/2636), **regs. 1, 3**)
- C2** S. 432AA modified (12.8.2005 with effect in accordance with reg. 1(2) of the amending S.I.) by The Friendly Societies (Modification of the Corporation Tax Acts) Regulations 2005 (S.I. 2005/2014), **regs. 1(1), 10** (as amended by: S.I. 2007/2134, **regs. 1(1)(2), 11**; S.I. 2008/1937, **regs. 1(1)(2), 8**)
- C3** S. 432AA(4) modified (6.4.1999) by The Individual Savings Account (Insurance Companies) Regulations 1998 (S.I. 1998/1871), **regs. 1, 5, 11**
- C4** S. 432AA(4) modified (6.4.2005) by The Child Trust Funds (Insurance Companies) Regulations 2004 (S.I. 2004/2680), **regs. 1, 4, 9**; S.I. 2004/3369, **art. 2(1)**

Status:

Point in time view as at 17/04/2007. This version of this provision has been superseded.

Changes to legislation:

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