



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XII

SPECIAL CLASSES OF COMPANIES AND BUSINESSES

CHAPTER I

INSURANCE COMPANIES, UNDERWRITERS AND CAPITAL REDEMPTION BUSINESS

Insurance companies: general

440A [F¹Securities.

- (1) Subsection (2) below applies where the assets of an insurance company include securities of a class all of which would apart from this section be regarded for the purposes of corporation tax on chargeable gains as one holding.
- (2) Where this subsection applies—
 - (a) so many of the securities as are identified in the company's records as securities by reference to the value of which there are to be determined benefits provided for under policies [F²or annuity contracts] the effecting of all (or all but an insignificant proportion) of which constitutes the carrying on of [F³basic life assurance and general annuity business] shall be treated for the purposes of corporation tax as a separate holding linked solely to that business,
 - (b) so many of the securities as are identified in the company's records as securities by reference to the value of which there are to be determined benefits provided for under contracts the effecting of all (or all but an insignificant proportion) of which constitutes the carrying on of pension business shall be treated for those purposes as a separate holding linked solely to that business,

Status: Point in time view as at 06/03/1992. This version of this provision has been superseded.

Changes to legislation: Income and Corporation Taxes Act 1988, Section 440A is up to date with all changes known to be in force on or before 01 June 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)

- (c) so many of the securities as are included in the overseas life assurance fund shall be treated for those purposes as a separate holding which is an asset of that fund,
 - (d) so many of the securities as are included in the company's long term business fund but do not fall within any of the preceding paragraphs shall be treated for those purposes as a separate holding which is an asset of that fund (but not of any of the descriptions mentioned in those paragraphs, and
 - (e) any remaining securities shall be treated for those purposes as a separate holding which is not of any of the descriptions mentioned in the preceding paragraphs.
- (3) Subsection (2) above also applies where the assets of an insurance company include securities of a class and apart from this section some of them would be regarded as a 1982 holding, and the rest as a new holding, for the purposes of corporation tax on chargeable gains.
- (4) In a case within subsection (3) above—
- (a) the reference in any paragraph of subsection (2) above to a separate holding shall be construed, where necessary, as a reference to a separate 1982 holding and a separate new holding, and
 - (b) the questions whether such a construction is necessary in the case of any paragraph and, if it is, how many securities falling within the paragraph constitute each of the two holdings shall be determined in accordance with paragraph 12 of Schedule 6 to the Finance Act 1990 and the identification rules applying on any subsequent acquisitions and disposals.
- (5) Section [F⁴105 of the 1992 Act] shall have effect where subsection (2) above applies as if securities regarded as included in different holdings by virtue of that subsection were securities of different kinds.
- [F⁵(6) In this section—
- “1982 holding” has the same meaning as in section 109 of the 1992 Act;
 - “new holding” has the meaning as in section 104(3) of that Act ; and
 - “securities” means shares, or securities of a company, and any other assets where they are of a nature to be dealt in without identifying the particular assets disposed or acquired.]

Textual Amendments

- F1** See commentary text for s.440 (F588) above.
- F2** Words in s. 440A(2)(a) inserted (for accounting periods beginning on or after 1.1.1992) by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), s. 48, [Sch. 7 paras. 6\(2\)\(a\)](#), **18**
- F3** Words in s. 440A(2)(a) substituted (for accounting periods beginning on or after 1.1.1992) by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), s. 48, [Sch. 7 paras. 6\(2\)\(b\)](#), **18**
- F4** Words in s. 440A(5) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290(1), [Sch. 10 para. 14\(23\)\(a\)](#) (with ss. 60, 101(1), 171, 201(3))
- F5** S. 440A(6) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290(1), [Sch. 10 para. 14\(23\)\(b\)](#) (with ss. 60, 101(1), 171, 201(3))

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Modifications etc. (not altering text)

- C1** S. 440A(2) modified (31.7.1992 with effect in accordance with reg. 1 of the modifying S.I.) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) Regulations 1992 \(S.I. 1992/1655\)](#), **regs. 1, 14, 15** (as amended (31.12.1993 with effect in accordance with reg. 1(2)(3) of the amending S.I.) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) \(Amendment\) Regulations 1993 \(S.I. 1993/3111\)](#), **regs. 1(1), 5**)
- C2** S. 440A(2) modified (31.7.1992 with effect in accordance with reg. 1 of the modifying S.I.) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) Regulations 1992 \(S.I. 1992/1655\)](#), **regs. 1, 16** (as substituted (31.12.1993 with effect in accordance with reg. 1(2)(3) of the amending S.I.) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) \(Amendment\) Regulations 1993 \(S.I. 1993/3111\)](#), **regs. 1(1), 10**)
- C3** See 1990 s.41 and Sch.6 para.12(2)—subs.(d) omitted for period 1 January 1990 to 19 March 1990 inclusive.
- C4** See 1990 s.41 and Sch.6 para.12(1), (3), (4), (6), (7) and (10)—application and commencement provisions for “1982 holdings” and “new holdings”.

Status:

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Changes to legislation:

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