

Status: Point in time view as at 01/12/2001.

*Changes to legislation: There are currently no known outstanding effects for
the Finance Act 1989, SCHEDULE 8A. (See end of Document for details)*

SCHEDULES

[^{F1}SCHEDULE 8A

Section 89A.

MODIFICATION OF SECTIONS 83 [^{F2}TO 83A] AND 89 IN RELATION TO OVERSEAS LIFE INSURANCE COMPANIES

Textual Amendments

- F1** Sch. 8A inserted (27.7.1993) by 1993 c. 34, s. 101(2), **Sch. 10**
F2 Words in Heading to Sch. 8A inserted (29.4.1996) by 1996 c. 8, s. 163, **Sch. 31 para. 8(2)**

- [^{F3}1 (1) In their application to an overseas life insurance company [^{F4}sections 83 to 83A] of this Act shall have effect with the modifications specified in paragraphs 1A to 1C below.
- (2) In those paragraphs—
- (a) any reference to the Taxes Act 1988 is a reference to that Act as it has effect in relation to such a company by virtue of Schedule 19AC to that Act; and
 - (b) any expression to which a meaning is given by section 11A of that Act has that meaning.]

Textual Amendments

- F3** Sch. 8A paras. 1, 1A-1C substituted for para. 1 (1.5.1995) by 1995 c. 4, s. 51, **Sch. 8 Pt. II para. 49(2)** (with **Sch. 8 paras. 55(2), 57(1)**)
F4 Words in **Sch. 8A para. 1(1)** substituted (29.4.1996) by 1996 c. 8, s. 163, **Sch. 31 para. 8(3)**

- ^{F5}1A (1) The reference in section 83(2)(a) to investment income shall be construed as a reference to such of the income concerned as is attributable to the branch or agency in the United Kingdom through which the company carries on life assurance business.
- (2) The reference to assets in section 83(2)(b) (as it applies apart from subsection (3) of that section) shall be construed as a reference to such of the assets concerned—
- (a) as are—
 - (i) section 11(2)(b) assets;
 - (ii) section 11(2)(c) assets; or
 - (iii) assets which by virtue of section 11B of the Taxes Act 1988 are attributed to the branch or agency; or
 - (b) as are assets—
 - (i) (in a case where section 11C of that Act (other than subsection (9)) applies) of the relevant fund, or
 - (ii) (in a case where that section including that subsection applies) of the relevant funds,other than assets which fall within paragraph (a) above.

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- (3) In determining for the purposes of section 83(2) (as it applies apart from subsection (3) of that section) whether there has been any increase or reduction in the value (whether realised or not) of assets—
- (a) no regard shall be had to any period of time during which an asset held by the company does not fall within paragraph (a) or (b) of sub-paragraph (2) above; and
 - (b) in the case of an asset which falls within paragraph (b) of that sub-paragraph, only the specified portion of any increase or reduction in the value of the asset shall be taken into account.

For the purposes of paragraph (b) above the specified portion of any increase or reduction in the value of an asset is found by applying to that increase or reduction the same fraction as would, by virtue of section 11C of the Taxes Act 1988, be applied to any relevant gain accruing to the company on the disposal of the asset.

- (4) For the reference in section 83(3) to any amount [^{F6}being added to the company's [^{F7}long-term insurance] fund], there shall be substituted a reference to assets becoming assets of the [^{F7}long-term insurance] fund used or held for the purposes of the company's United Kingdom branch or agency, having immediately previously been held by the company otherwise than as assets of that fund or used or held otherwise than for those purposes.

The amount of the increase in value under section 83(2)(b), as it applies in relation to such a [^{F8}an addition], shall be taken to be an amount equal to the value of the assets [^{F8}added].

- [Any reference in section 83AA(2), (3) or (4) or 83AB(1) or (3) to an amount being ^{F9}(5) added to the relevant company's [^{F7}long-term insurance] fund shall be construed in accordance with sub-paragraph (4) above.]

Textual Amendments

- F5** Sch. 8A paras. 1, 1A-1C substituted for para. 1 (1.5.1995) by 1995 c. 4, s. 51, **Sch. 8 Pt. II para. 49(2)** (with **Sch. 8 paras. 55(2), 57(1)**)
- F6** Words in Sch. 8A para. 1A(4) substituted (29.4.1996) by 1996 c. 8, s. 163, **Sch. 31 para. 8(4)(a)**
- F7** Words in Sch. 8A para. 1A(4)(5) substituted (1.12.2001) by S.I. 2001/3629, **art. 60(1)(d)**
- F8** Words in Sch. 8A para. 1A(4) substituted (29.4.1996) by 1996 c. 8, s. 163, **Sch. 31 para. 8(4)(b)**
- F9** Sch. 8A para. 1A(5) added (29.4.1996) by 1996 c. 8, s. 163, **Sch. 31 para. 8(5)**

- ^{F10}1B [The references in section 83A to the company's [^{F12}long-term] business shall be ^{F11}(1) construed as references to the whole of that business or to the whole of that business other than business in respect of which preparation of a revenue account for the purposes of [^{F13}Chapter 9 of the Prudential Sourcebook (Insurers)] is not required.

- [In sub-paragraph (1) “the Prudential Sourcebook (Insurers)” means the Interim ^{F14}(2) Prudential Sourcebook for Insurers made by the Financial Services Authority under the Financial Services and Markets Act 2000.]

Textual Amendments

- F10** Sch. 8A paras. 1, 1A-1C substituted for para. 1 (1.5.1995) by 1995 c. 4, s. 51, **Sch. 8 Pt. II para. 49(2)** (with **Sch. 8 paras. 55(2), 57(1)**)

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- F11** Sch. 8A para. 1B renumbered as para. 1B(1) (1.12.2001 with effect as mentioned in art. 59(4) of the amending S.I.) by [S.I. 2001/3629, art. 59\(3\)](#)
- F12** Words in Sch. 8A para. 1B substituted (1.12.2001) by [S.I. 2001/3629, art. 60\(2\)\(b\)](#)
- F13** Words in Sch. 8A para. 1B substituted (1.12.2001 with effect as mentioned in art. 59(4) of the amending S.I.) by [S.I. 2001/3629, art. 59\(2\)](#)
- F14** [Sch. 8A para. 1B\(2\)](#) inserted (1.12.2001 with effect as mentioned in art. 59(4) of the amending S.I.) by [S.I. 2001/3629, art. 59\(3\)](#)

- F15**1C (1) Where for a period of account any investment income referred to in section 83(2)(a) is not otherwise brought into account within the meaning of that section, it shall be treated as brought into account for the period if it arises in the period.
- (2) Where for a period of account any increase in value referred to in section 83(2)(b) (as it applies apart from subsection (3) of that section) is not otherwise brought into account within the meaning of that section, it shall be treated as brought into account for the period if it is shown in the company's records as available to fund one or both of the following for the period, namely, bonuses to policy holders and dividends to shareholders.
- (3) Where for a period of account any reduction in value referred to in section 83(2) (as it applies apart from subsection (3) of that section) is not otherwise brought into account within the meaning of that section, it shall be treated as brought into account for the period if it is shown in the company's records as reducing sums available to fund one or both of the following for the period, namely, bonuses to policy holders and dividends to shareholders.
- (4) Where in any period of account any such ^{F16}[addition] is made as is mentioned in section 83(3) which is not otherwise brought into account within the meaning of that section, it shall be treated as brought into account for the period in which it is made.

Textual Amendments

- F15** Sch. 8A paras. 1, 1A-1C substituted for para. 1 (1.5.1995) by 1995 c. 4, s. 51, [Sch. 8 Pt. II para. 49\(2\)](#) (with [Sch. 8 paras. 55\(2\), 57\(1\)](#))
- F16** Word in [Sch. 8A para. 1C\(4\)](#) substituted (29.4.1996) by 1996 c. 8, s. 163, [Sch. 31 para. 8\(6\)](#)

- F17**2 (1) In its application to an overseas life insurance company section 89 of this Act shall have effect with the following modifications; and in those modifications any reference to the Taxes Act 1988 is a reference to that Act as it has effect in relation to such a company by virtue of Schedule 19AC to that Act.
- (2) Any reference to franked investment income shall be treated as a reference to UK distribution income (as defined by ^{F18}[paragraph 5B(4) of that Schedule]).
- (3) Any reference in subsection (5)(a) to income shall be construed as a reference to such of the income concerned as is attributable to the branch or agency in the United Kingdom through which the company carries on life assurance business.
- (4) The reference in subsection (5)(b) to assets shall be construed as a reference to such of the assets concerned—
- (a) as are—
- (i) section 11(2)(b) assets;
- (ii) section 11(2)(c) assets; or

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- (iii) assets which by virtue of section 11B of the Taxes Act 1988 are attributed to the branch or agency; or
- (b) as are assets—
 - (i) (in a case where section 11C of that Act (other than subsection (9)) applies) of the relevant fund, or
 - (ii) (in a case where that section including that subsection applies) of the relevant funds,
 other than assets which fall within paragraph (a) above.
- (5) In subsection (5)(c) the reference to expenses shall be construed as a reference to such of the expenses concerned as are attributable to the branch or agency.
- (6) In subsection (5)(d) the reference to interest shall be construed as a reference to such of the interest concerned as is so attributable.
- (7) In determining for the purposes of subsection (5) whether there has been any increase or reduction in the value (whether realised or not) of assets—
 - (a) no regard shall be had to any period of time during which an asset does not fall within paragraph (a) or (b) of sub-paragraph (4) above; and
 - (b) in the case of an asset which falls within paragraph (b) of that sub-paragraph, only the specified portion of any increase or reduction in the value of the asset shall be taken into account;
 [^{F19}and in paragraph (b) above the “specified portion” has the same meaning as in paragraph 1A(3)(b) above.]
- [For the purposes of this paragraph any expression to which a meaning is given by ^{F20}(7A) section 11A of the Taxes Act 1988 has that meaning.]
- (8) Where for a period of account any item consisting of income, expenses or interest referred to in subsection (5) is not brought into account within the meaning given by subsection (6) it shall be treated as brought into account for the period if it arises in the period.
- (9) Where for a period of account any increase in value referred to in subsection (5) is not brought into account within the meaning given by subsection (6) it shall be treated as brought into account for the period if it is shown in the company’s records as available to fund one or both of the following for the period, namely, bonuses to policy holders and dividends to shareholders.
- (10) Where for a period of account any reduction in value referred to in subsection (5) is not brought into account within the meaning given by subsection (6) it shall be treated as brought into account for the period if it is shown in the company’s records as reducing sums available to fund one or both of the following for the period, namely, bonuses to policy holders and dividends to shareholders.

^{F21}(11)]

Textual Amendments

F17 Sch. 8A inserted (27.7.1993) by 1993 c. 34, s. 101(2), **Sch. 10**

F18 Words in **Sch. 8A para. 2(2)** substituted (1.5.1995) by 1995 c. 4, s. 51, **Sch. 8 Pt. II para. 35(5)** (with **Sch. 8 paras. 55(2), 57(1)**)

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- F19** Words in Sch. 8A para. 2(7) substituted (1.5.1995) by 1995 c. 4, s. 51, **Sch. 8 Pt. II para. 49(3)** (with Sch. 8 paras. 55(2), 57(1))
- F20** Sch. 8A para. 2(7A) inserted (1.5.1995) by 1995 c. 4, s. 51, **Sch. 8 Pt. II para. 49(4)** (with Sch. 8 paras. 55(2), 57(1))
- F21** Sch. 8A para. 2(11) repealed (1.5.1995 with effect in accordance with Sch. 8 para. 57 of the amending Act) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII(5)**, note 2

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