



# Finance Act 1989

## 1989 CHAPTER 26

### PART II

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER I

#### GENERAL

#### *Life assurance*

#### **85 Charge of certain receipts of basic life assurance business.**

(1) Subject to subsection (2) below, where the profits of an insurance company in respect of its life assurance business are not charged under Case I of Schedule D, there shall be chargeable under Case VI of that Schedule any receipts referable to the company's [<sup>F1</sup>basic life assurance and general annuity business]—

- (a) which, if those profits were charged under Case I of Schedule D, would betaken into account in computing those profits; and
- (b) which would not be within the charge to tax (except under Case I of Schedule D) apart from this section;

and for the purposes of paragraph (a) above, the provisions of section 83 above as to the manner in which any item is to be taken into account shall be disregarded.

(2) The receipts referred to in subsection (1) above do not include—

- (a) any premium; or
- (b) any sum received by virtue of a claim under an insurance contract(including a re-insurance contract); or
- (c) any repayment or refund (in whole or in part) of a sum disbursed by the company as acquisition expenses falling within paragraphs (a) to (c) of subsection (1) of section 86 below; or

[<sup>F2</sup>(ca) any reinsurance commission; or]

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**Status:** Point in time view as at 25/07/1991. This version of this provision has been superseded.

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1989, Section 85. (See end of Document for details)

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- (d) any sum which is taken into account under section 76(1)(a) of the Taxes Act 1988 as a deduction from the amount treated as expenses of management of the company; or
  - (e) any sum which is not within the charge to tax (except under Case I of Schedule D) because of an exemption from tax.
- (3) This section has effect with respect to the receipts of accounting periods beginning on or after 1st January 1990 (including the 1990 component period).

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**Textual Amendments**

- F1** Words in s. 85(1) substituted (*for accounting periods beginning on or after 01.01.1992*) by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), s. 48, Sch. 7 paras. 12, 18.
- F2** [Finance Act 1990 \(c. 29\)](#), s. 44(1)(4)—*deemed always to have had effect*
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**Modifications etc. (not altering text)**

- C1** S. 85(1) modified (*retrospective to 1.1.1995*) by [S.I. 1997/473](#), [regs. 1\(2\)](#), 38

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**Changes to legislation:**

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