



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART VI U.K.

COMPANIES, OIL, INSURANCE ETC.

CHAPTER III U.K.

INSURANCE

212 Annual deemed disposal of holdings of unit trusts etc. U.K.

- (1) Where at the end of an accounting period the assets of an insurance company's [^{F1}long-term insurance] fund include—
- (a) rights under an authorised unit trust, or
 - (b) relevant interests in an offshore fund,

then, subject to the following provisions of this section and to section 213, the company shall be deemed for the purposes of corporation tax on capital gains to have disposed of and immediately reacquired each of the assets concerned at its market value at that time.

^{F2}(2) Subsection (1) above shall not apply to assets linked solely to pension business^{F2}, child trust fund business][^{F3}, individual savings account business][^{F4}or life reinsurance business] or to assets of the overseas life assurance fund, ^{F5} . . .

[^{F6}(2A) Subsection (1) above shall not apply to assets falling by virtue of paragraph 4 of Schedule 10 to the Finance Act 1996 (company holdings in unit trusts) to be treated for the accounting period in question as representing rights under a creditor relationship of the company.]

^{F7}(3)

^{F7}(4)

Status: Point in time view as at 22/03/2006. This version of this provision has been superseded.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 212 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) For the purposes of this section an interest is a “relevant interest in an offshore fund” if—

- (a) it is a material interest in an offshore fund for the purposes of Chapter V of Part XVII of the Taxes Act, or
- ^{F8}(b) it would be such an interest if either or both of the assumptions mentioned in subsection (6A) below were made.]

^{F7}(6)

^{F9}(6A) The assumptions referred to in subsection (5)(b) above are—

- (a) that the companies, unit trust schemes and arrangements referred to in ^{F10}paragraphs (a) to (c) of subsection (1) of section 756A] of the Taxes Act are not limited to those which are also collective investment schemes;
- (b) that the shares and interests excluded by subsections (6) and (8) of ^{F11}section 759 of that Act] are limited to shares or interests in trading companies.]

(7) In this section “trading company” means a company—

- (a) whose business consists of the carrying on of insurance business, or the carrying on of any other trade which does not consist to any extent of dealing in commodities, currency, securities, debts or other assets of a financial nature, or
- (b) whose business consists wholly or mainly of the holding of shares or securities of trading companies which are its 90 per cent. subsidiaries;

^{F12}

^{F13}(7A) In a case where the profits of a company’s life assurance business are charged to tax in accordance with Case I of Schedule D subsection (1) above has effect subject to section 440B(5) of the Taxes Act.]

^{F14}(8)

Textual Amendments

- F1** Words in s. 212(1) substituted (1.12.2001) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), arts. 1(2)(a), **73(1)(a)**
- F2** Words in s. 212(2) inserted (6.4.2005) by [The Child Trust Funds \(Insurance Companies\) Regulations 2004 \(S.I. 2004/2680\)](#), regs. 1, **19**
- F3** Words in s. 212(2) inserted (6.4.1999) by [The Individual Savings Account \(Insurance Companies\) Regulations 1998 \(S.I. 1998/1871\)](#), regs. 1, **23**
- F4** Words in s. 212(2) inserted (with effect in accordance with Sch. 8 para. 57(1) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 9(2)** (with [Sch. 8 para. 55\(2\)](#))
- F5** Words in s. 212(2) repealed (27.7.1993 with effect in relation to accounting periods beginning on or after 1.1.1993) by [1993 c. 34, ss. 91\(2\)\(b\), 213](#), **Sch. 23 Pt. III** Table(8) Note
- F6** S. 212(2A) inserted (with effect in accordance with s. 105(1) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), **Sch. 14 para. 63** (with [Sch. 15](#))
- F7** S. 212(3)(4)(6) repealed (27.7.1993 with effect in relation to accounting periods beginning on or after 1.1.1993) by [1993 c. 34, ss. 91\(2\)\(b\), 213](#), **Sch. 23 Pt. III** Table(8) Note
- F8** S. 212(5)(b) substituted (with effect in accordance with s. 134(10) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **s. 134(6)**
- F9** S. 212(6A) inserted (with effect in accordance with s. 134(10) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **s. 134(7)**

Status: Point in time view as at 22/03/2006. This version of this provision has been superseded.

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- F10** Words in s. 212(6A)(a) substituted (with effect in accordance with s. 145(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 26 para. 11\(a\)](#) (with [Sch. 26 para. 17](#))
- F11** Words in s. 212(6A)(b) substituted (with effect in accordance with s. 145(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 26 para. 11\(b\)](#) (with [Sch. 26 para. 17](#))
- F12** Words in s. 212(7) repealed (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 3\(12\)](#)
- F13** S. 212(7A) inserted (with effect in accordance with Sch. 8 para. 57(1) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 8 para. 28\(5\)](#) (with [Sch. 8 para. 55\(2\)](#))
- F14** S. 212(8) repealed (27.7.1993 with effect as mentioned in s. 91(1)) by [1993 c. 34](#), ss. [91\(1\)](#), [213](#), [Sch. 23 Pt. III Table\(8\)](#) Note

Modifications etc. (not altering text)

- C1** S. 212 modified (31.7.1992) by [S.I. 1992/1655](#), [arts. 1, 21](#)
S. 212 amended (27.7.1993) by [1993 c. 34](#), [s. 91\(1\)](#)
S. 212 excluded (27.7.1993) by [1993 c. 34](#), [s. 91\(1\)](#)
- C2** S. 212 modified (with effect in accordance with s. 105(1) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), s. [105](#), [Sch. 15 para. 15\(2\)](#)
- C3** S. 212 modified (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\(1\)](#), [37](#)
- C4** S. 212(1) excluded by [1988 c. 1](#), s. [440B\(5\)](#) (as inserted (with effect in accordance with Sch. 8 para. 57(1) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 8 para. 28\(1\)](#) (with [Sch. 8 para. 55\(2\)](#)))

Status:

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