



# Finance Act 1993

## 1993 CHAPTER 34

### PART II

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

### CHAPTER III

#### LLOYD'S UNDERWRITERS ETC.

##### *Main provisions*

#### **171 Taxation of profits and allowance of losses**

- (1) Income tax for any year of assessment on the profits arising from a member's underwriting business shall be computed on the profits of that year of assessment.
- (2) As respects the profits arising to a member from his underwriting business for any year of assessment—
  - (a) the aggregate of those profits shall be chargeable to tax under Case I of Schedule D; and
  - (b) accordingly, no part of those profits shall be chargeable to tax under any other Schedule or any other Case of Schedule D;but nothing in this subsection shall affect the manner in which the amount of any profits arising from assets forming part of an ancillary trust fund is to be computed.
- (3) Relief under section 380 of the Taxes Act 1988 (set-off against general income) in respect of a loss sustained by a member in his underwriting business in any year of assessment—
  - (a) shall not be given under subsection (2) of that section; but
  - (b) may, if the member so claims and he was a member in the preceding year of assessment, be given against his income for that preceding year, so far as it

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*Status: This is the original version (as it was originally enacted).*

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cannot be given against the income for the year in which the loss was sustained and can be given after any relief for a loss sustained in that preceding year.

- (4) Subsection (2) above does not apply in relation to any profits arising before 6th April 1993 from assets forming part of an ancillary trust fund.

## **172 Year of assessment in which profits or losses arise**

- (1) Subject to the provisions of this Chapter, for the purposes of section 171 above and all other purposes of the Income Tax Acts the profits or losses in any year of assessment of a member’s underwriting business shall be taken to be—
- (a) in the case of profits or losses arising directly from his membership of one or more syndicates, those arising in respect of the corresponding underwriting year;
  - (b) in the case of profits or losses arising from assets forming part of a premiums trust fund, those allocated under the rules or practice of Lloyd’s to the corresponding underwriting year; and
  - (c) in the case of other profits or losses, those derived from payments received or made in the corresponding underwriting year.
- (2) Subsection (1)(c) above does not apply in relation to payments received or made before 6th April 1993.

## **173 Assessment and collection of tax**

- (1) Schedule 19 to this Act (assessment and collection of tax) shall have effect.
- (2) Schedule 19A to the Taxes Act 1988 (which is superseded by Schedule 19 to this Act for the year 1992-93 and subsequent years of assessment) shall have effect as if for sub-paragraph (3) of paragraph 1 there were substituted the following sub-paragraph—
- “(3) Regulations under this paragraph may make provision with respect to any year or years of assessment; and the year (or any of the years) may be the year next but one preceding the year in which the regulations are made or any year following that earlier year.”
- (3) Subsection (2) above applies in relation to regulations made after the passing of this Act.