



Finance Act 1994

1994 CHAPTER 9

PART III

INSURANCE PREMIUM TAX

Supplementary

70 Interpretation: taxable insurance contracts.

(1) Subject to [^{F1}subsection (1A) below], any contract of insurance is a taxable insurance contract.

[^{F2}(1A) A contract is not a taxable insurance contract if it falls within one or more of the paragraphs of Part I of Schedule 7A to this Act.

(1B) Part II of Schedule 7A to this Act (interpretation of certain provisions of Part I) shall have effect.]

^{F3}(2)

^{F3}(3)

^{F3}(4)

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^{F3}(7)

^{F3}(8)

^{F3}(9)

^{F3}(10)

(11) This section has effect subject to section 71 below.

Status: Point in time view as at 01/10/1994.

Changes to legislation: Finance Act 1994, Cross Heading: Supplementary is up to date with all changes known to be in force on or before 12 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)

(12) This section and section 71 below have effect for the purposes of this Part.

Textual Amendments

- F1** Words in s. 70(1) substituted (1.10.1994) by S.I. 1994/1698, art. 4(a)
F2 S. 70(1A)(1B) inserted (1.10.1994) by S.I. 1994/1698, art. 4(b)
F3 S. 70(2)-(10) deleted (1.10.1994) by S.I. 1994/1698, art. 4(c)

71 Taxable insurance contracts: power to change definition.

- (1) Provision may be made by order that—
- (a) a contract of insurance that would otherwise not be a taxable insurance contract shall be a taxable insurance contract if it falls within a particular description;
 - (b) a contract of insurance that would otherwise be a taxable insurance contract shall not be a taxable insurance contract if it falls within a particular description.
- (2) A description referred to in subsection (1) above may be by reference to the nature of the insured or by reference to such other factors as the Treasury think fit.
- (3) Provision under this section may be made in such way as the Treasury think fit, and in particular may be made by amending this Part.
- (4) An order under this section may amend or modify the effect of section 69 above in such way as the Treasury think fit.

72 Interpretation: premium.

- (1) In relation to a taxable insurance contract, a premium is any payment received under the contract by the insurer, and in particular includes any payment wholly or partly referable to—
- (a) any risk,
 - (b) costs of administration,
 - (c) commission,
 - (d) any facility for paying in instalments or making deferred payment (whether or not payment for the facility is called interest), or
 - (e) tax.
- (2) A premium may consist wholly or partly of anything other than money, and references to payment in subsection (1) above shall be construed accordingly.
- (3) Where a premium is to any extent received in a form other than money, its amount shall be taken to be—
- (a) an amount equal to the value of whatever is received in a form other than money, or
 - (b) if money is also received, the aggregate of the amount found under paragraph (a) above and the amount received in the form of money.
- (4) The value to be taken for the purposes of subsection (3) above is open market value at the time of the receipt by the insurer.

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- (5) The open market value of anything at any time shall be taken to be an amount equal to such consideration in money as would be payable on a sale of it at that time to a person standing in no such relationship with any person as would affect that consideration.
- (6) Where (apart from this subsection) anything received under a contract by the insurer would be taken to be an instalment of a premium, it shall be taken to be a separate premium.
- (7) Where anything is received by any person on behalf of the insurer—
 - (a) it shall be treated as received by the insurer when it is received by the other person, and
 - (b) the later receipt of the whole or any part of it by the insurer shall be disregarded.
- (8) In a case where—
 - (a) a payment under a taxable insurance contract is made to a person (the intermediary) by or on behalf of the insured, and
 - (b) the whole or part of the payment is referable to commission to which the intermediary is entitled,in determining for the purposes of subsection (7) above whether, or how much of, the payment is received by the intermediary on behalf of the insurer any of the payment that is referable to that commission shall be regarded as received by the intermediary on behalf of the insurer notwithstanding the intermediary's entitlement.
- (9) References in subsection (8) above to a payment include references to a payment in a form other than money.
- (10) This section has effect for the purposes of this Part.

73 Interpretation: other provisions.

- (1) Unless the context otherwise requires—
 - “accounting period” shall be construed in accordance with section 54 above;
 - “appeal tribunal” means a VAT and duties tribunal;
 - “authorised person” means any person acting under the authority of the Commissioners;
 - “the Commissioners” means the Commissioners of Customs and Excise;
 - “conduct” includes any act, omission or statement;
 - “insurer” means a person or body of persons (whether incorporated or not) carrying on insurance business;
 - “legislation relating to insurance premium tax” means this Part (as defined by subsection (9) below), any other enactment (whenever passed) relating to insurance premium tax, and any subordinate legislation made under any such enactment;
 - “prescribed” means prescribed by an order or regulations under this Part;
 - “tax” means insurance premium tax;
 - “tax representative” shall be construed in accordance with section 57 above;
 - “taxable business” means a business which consists of or includes the provision of insurance under taxable insurance contracts;

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“taxable insurance contract” shall be construed in accordance with section 70 above.

- (2) A risk is situated in the United Kingdom if, by virtue of section 96A(3) of the ^{M1}Insurance Companies Act 1982, it is situated in the United Kingdom for the purposes of that Act.
- (3) A registrable person is a person who—
 - (a) is registered under section 53 above, or
 - (b) is liable to be registered under that section.
- (4) A commercial ship is a ship which is—
 - (a) of a gross tonnage of 15 tons or more, and
 - (b) not designed or adapted for use for recreation or pleasure.
- (5) A commercial aircraft is an aircraft which is—
 - (a) of a weight of 8,000 kilogrammes or more, and
 - (b) not designed or adapted for use for recreation or pleasure.
- (6) A lifeboat is a vessel used or to be used solely for rescue or assistance at sea; and lifeboat equipment is anything used or to be used solely in connection with a lifeboat.
- (7) Foreign or international railway rolling stock is railway rolling stock used principally for journeys taking place wholly or partly outside the United Kingdom.
- (8) Goods in foreign or international transit are goods in transit where their carriage—
 - (a) begins and ends outside the United Kingdom,
 - (b) begins outside but ends in the United Kingdom, or
 - (c) ends outside but begins in the United Kingdom.
- (9) A reference to this Part includes a reference to any order or regulations made under it and a reference to a provision of this Part includes a reference to any order or regulations made under the provision, unless otherwise required by the context or any order or regulations.
- (10) This section has effect for the purposes of this Part.

Marginal Citations

M1 1982 c. 50.

74 Orders and regulations.

- (1) The power to make an order under section 61 above shall be exercisable by the Commissioners, and the power to make an order under any other provision of this Part shall be exercisable by the Treasury.
- (2) Any power to make regulations under this Part shall be exercisable by the Commissioners.
- (3) Any power to make an order or regulations under this Part shall be exercisable by statutory instrument.

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- (4) An order under section 71 above shall be laid before the House of Commons; and unless it is approved by that House before the expiration of a period of 28 days beginning with the date on which it was made it shall cease to have effect on the expiration of that period, but without prejudice to anything previously done under the order or to the making of a new order.
- (5) In reckoning any such period as is mentioned in subsection (4) above no account shall be taken of any time during which Parliament is dissolved or prorogued or during which the House of Commons is adjourned for more than four days.
- (6) A statutory instrument containing an order or regulations under this Part (other than an order under section 71 above) shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (7) Any power to make an order or regulations under this Part—
 - (a) may be exercised as regards prescribed cases or descriptions of case;
 - (b) may be exercised differently in relation to different cases or descriptions of case.
- (8) An order or regulations under this Part may include such supplementary, incidental, consequential or transitional provisions as appear to the Treasury or the Commissioners (as the case may be) to be necessary or expedient.
- (9) No specific provision of this Part about an order or regulations shall prejudice the generality of subsections (7) and (8) above.

Status:

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