



Finance Act 1994

1994 CHAPTER 9

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER V

LLOYD'S UNDERWRITERS: CORPORATIONS ETC.

Main provisions

219 Taxation of profits.

- (1) Corporation tax for any accounting period on the profits arising from a corporate member's underwriting business shall be computed on the profits of that accounting period.
- (2) As respects the profits arising to a corporate member for any accounting period directly from its membership of one or more syndicates, or from assets forming part of a premiums trust fund—
 - (a) the aggregate of those profits shall be computed for tax purposes under Case I of Schedule D; and
 - (b) accordingly, no part of those profits shall be computed for those purposes under any other Schedule or any other Case of Schedule D.
- (3) The profits arising to a corporate member for any accounting period—
 - (a) from assets forming part of an ancillary trust fund; or
 - (b) from assets employed by it in, or in connection with, its underwriting business,shall be computed for tax purposes under Case I of Schedule D if, and to the extent that, they do not fall to be computed for those purposes under any other Schedule or any other Case of Schedule D.

Status: Point in time view as at 03/05/1994.

Changes to legislation: Finance Act 1994, Cross Heading: Main provisions is up to date with all changes known to be in force on or before 27 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)

- (4) Where the profits arising for any accounting period from the assets of a corporate member’s premiums trust fund include dividends or other distributions of a company resident in the United Kingdom, subsection (2) above shall apply in relation to those distributions (and any associated tax credits) notwithstanding anything in section 11(2)(a) or 208 of the Taxes Act 1988.
- (5) In section 20(2) of the Taxes Act 1988 (Schedule F), after the words “section 171 of the Finance Act 1993” there shall be inserted the words “ or section 219 of the Finance Act 1994 ”.

220 Accounting period in which certain profits or losses arise.

- (1) For the purposes of section 219 above and all other purposes of the Corporation Tax Acts, the profits or losses arising to a corporate member in any accounting period directly from its membership of one or more syndicates, or from assets forming part of a premiums trust fund, shall be taken to be—
 - (a) if two underwriting years each fall partly within that period, the aggregate of the apportioned parts of those profits or losses in those years; and
 - (b) if a single underwriting year falls wholly or partly within that period, those profits or losses or (as the case may be) the apportioned part of those profits or losses in that year.
- (2) Subject to the provisions of this Chapter, for the purposes of subsection (1) above and all other purposes of the Corporation Tax Acts—
 - (a) the profits or losses arising to a corporate member in any underwriting year directly from its membership of one or more syndicates shall be taken to be those of any previous year or years which are declared in that year; and
 - (b) the profits or losses arising to a corporate member in any underwriting year from assets forming part of a premiums trust fund shall be taken to be those allocated under the rules or practice of Lloyd’s to any previous year or years the profits or losses of which are declared in that year.
- (3) In this section “apportioned part”, in relation to the profits or losses of an underwriting year, means a part apportioned under section 72 of the Taxes Act 1988.

221 Assessment and collection of tax.

- (1) Subject to subsection (2) below, Schedule 19 (Lloyd’s underwriters: assessment and collection of tax) to the ^{M1}Finance Act 1993 (“the 1993 Act”) shall apply in relation to corporate members as it applies in relation to other members.
- (2) In its application to a corporate member, paragraph 13 of that Schedule shall have effect as if—
 - (a) in sub-paragraph (3)(b), the reference to the members’ agent of each member were a reference to each corporate member itself;
 - (b) after sub-paragraph (3A) there were inserted the following sub-paragraph—

“(3B) The provisions of this paragraph relating to the payment of tax credits have effect notwithstanding anything in section 231(2) of the Taxes Act 1988.”;
 - (c) in sub-paragraph (4), the reference to section 824 of the Taxes Act 1988 were a reference to section 826 of that Act (interest on tax overpaid); and

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- (d) in sub-paragraph (4A), the reference to the members’ agent of a member were a reference to a corporate member itself, the reference to section 171 of the 1993 Act were a reference to section 219 of this Act and each reference to the Income Tax Acts were a reference to the Corporation Tax Acts.

Marginal Citations

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