



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 [^{F1}premium] trust fund—
 - (a) the aggregate of those profits shall be computed for tax purposes under [^{F2}Part 3 of the Corporation Tax Act 2009] ; and
 - (b) accordingly, no part of those profits shall be computed for those purposes [^{F3}otherwise than under Part 3 of the Corporation Tax Act 2009] .
- (3) [^{F4}Subject to subsection (4A) below,] 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 [^{F5}Part 3 of the Corporation Tax Act 2009] if, and to the extent that, they do not fall to be computed for those purposes [^{F6}otherwise than under Part 3 of that Act] .

Status: Point in time view as at 01/04/2009.

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- (4) Where the profits arising for any accounting period from the assets of a corporate member’s [F1premium] trust fund include [F7UK distributions], subsection (2) above shall apply in relation to those distributions F8 . . . notwithstanding anything in [F9section 1285 of the Corporation Tax Act 2009 (exemption for UK company distributions)] .
- [F10(4A) Notwithstanding anything in section F11... [F121285 of the Corporation Tax Act 2009] , UK distributions in respect of any assets of a corporate member which are mentioned in paragraph (a) or (b) of subsection (3) above—
- (a) shall be taken into account in computing profits of the corporate member for tax purposes; and
- (b) shall be so taken into account under [F13Part 3 of the Corporation Tax Act 2009][F14(and not under any other provision of the Corporation Tax Acts)] .
- (4B) Section 231(1) of the Taxes Act 1988 (entitlement to tax credit) shall not apply where the distribution there mentioned is a distribution in respect of any asset of a corporate member’s [F1premium] trust fund.
- (4C) In this section “UK distributions” means dividends or other distributions of a company resident in the United Kingdom.]
- F15(5)

Textual Amendments

- F1** Words in s. 219(2)(4)(4B) substituted (1.12.2001) by [S.I. 2001/3629](#), [art. 87\(a\)](#)
- F2** Words in s. 219(2)(a) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 392\(2\)\(a\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F3** Words in s. 219(2)(b) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 392\(2\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F4** Words in s. 219(3) inserted (31.7.1997 with effect as mentioned in s. 22(7) of the amending Act) by [1997 c. 58](#), [s. 22\(2\)](#)
- F5** Words in s. 219(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 392\(3\)\(a\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F6** Words in s. 219(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 392\(3\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F7** Words in s. 219(4) substituted (31.7.1997 with effect as mentioned in s. 22(7) of the amending Act) by [1997 c. 58](#), [s. 22\(3\)\(a\)](#)
- F8** Words in s. 219(4) repealed (31.7.1997 with effect as mentioned in s. 22(7) and the Note to Sch. 8 Pt. II(5) of the repealing Act) by [1997 c. 58](#), [ss. 22\(3\)\(b\), 52](#), [Sch. 8 Pt. II\(5\)](#)
- F9** Words in s. 219(4) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 392\(4\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F10** S. 219(4A)-(4C) inserted (31.7.1997 with effect as mentioned in s. 22(7) of the amending Act) by [1997 c. 58](#), [s. 22\(4\)](#)
- F11** Words in s. 219(4A) repealed (10.7.2003) (with effect in accordance with Sch. 43 Pt. 3(6) Note of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 3\(6\)](#)
- F12** Words in s. 219(4A) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 392\(5\)\(a\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F13** Words in s. 219(4A)(b) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 392\(5\)\(b\)\(i\)](#) (with [Sch. 2 Pts. 1, 2](#))

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- F14** Words in s. 219(4A)(b) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 392(5)(b)(ii)** (with Sch. 2 Pts. 1, 2)
- F15** S. 219(5) repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), **Sch. 3** (with Sch. 2)

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 [^{F16}premium] 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
 - [^{F17}(b) the profits or losses arising to a corporate member from assets forming part of a premium trust fund which shall be taken to be profits or losses of any underwriting year are—
 - (i) 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, and
 - (ii) those arising in that year and not so allocated to any previous year or years.]
- (3) In this section “apportioned part”, in relation to the profits or losses of an underwriting year, means a part apportioned under [^{F18}section 52 of the Corporation Tax Act 2009] .

Textual Amendments

- F16** Words in s. 220(1)(2)(b) substituted (1.12.2001) by S.I. 2001/3629, **art. 87(b)**
- F17** S. 220(2)(b) substituted (1.7.2007 with effect in accordance with reg. 1(2) of the amending S.I.) by **The Finance Act 1994, Section 220 (Amendment) Regulations 2007 (S.I. 2007/1616), regs. 1(1), 2**
- F18** Words in s. 220(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 393** (with Sch. 2 Pts. 1, 2)

^{F19}221 Assessment and collection of tax.

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Textual Amendments

F19 S. 221 repealed (20.7.2005 for specified purposes, 1.1.2006 in so far as not already in force) by Finance (No. 2) Act 2005 (c. 22), s. 45(4)(8)(9), **Sch. 11 Pt. 2(11)**; S.I. 2005/3337, art. 2

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