



# Finance Act 1994

## 1994 CHAPTER 9

### PART IV

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

### CHAPTER V

#### LLOYD'S UNDERWRITERS: CORPORATIONS ETC.

#### *Miscellaneous*

#### 226 Provisions which are not to apply.

- (1)<sup>F1</sup> .....
- (2)<sup>F2</sup> .....

[<sup>F3</sup>(3) No relevant contract (within the meaning of [<sup>F4</sup>Part 7 of the Corporation Tax Act 2009]) forming part of a premium trust fund of a corporate member shall be a derivative contract.]

#### Textual Amendments

- F1** S. 226(1) repealed (with effect as mentioned in s. 80(2) and Sch. 24 of the amending Act) by Finance Act 2002 (c. 23), ss. 80, 141, Sch. 24 para. 7(2), Sch. 40 Pt. 3(11)
- F2** S. 226(2) repealed (with effect as mentioned in s. 79(3) and Sch. 23 of the amending Act) by Finance Act 2002 (c. 23), s. 141, Sch. 40 Pt. 3(10)
- F3** S. 226(3) substituted (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), s. 83, Sch. 27 para. 16
- F4** Words in s. 226(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. 395 (with Sch. 2 Pts. 1, 2)

*Status: Point in time view as at 01/04/2009.*

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

## 227 Cessation: final underwriting year.

- (1) This section applies where a corporate member ceases to carry on its underwriting business, whether by reason of being wound up or otherwise.
- (2) Subject to the provisions of any regulations made by the Board—
  - (a) the member’s final underwriting year shall be that in which its deposit at Lloyd’s is paid over to it or its liquidator, and
  - (b) the member’s underwriting business shall be treated as continuing until the end of that year.

### Modifications etc. (not altering text)

C1 S. 227 excluded (1.12.1997) by [S.I. 1997/2681, reg. 4\(2\)](#)

## [<sup>F5</sup>227A Restriction of group relief

- (1) Losses of the last active underwriting year of a corporate member are not eligible for surrender by the corporate member as group relief to another company unless the group-relief continuity condition is satisfied.
- (2) In this section “last active underwriting year”, in relation to a corporate member, means—
  - (a) if the corporate member writes insurance business in only one underwriting year, that underwriting year, and
  - (b) otherwise, the last underwriting year in which the corporate member writes insurance business.
- (3) Where in an underwriting year—
  - (a) the corporate member writes an amount of insurance business which is insignificant when compared with that written by it in the preceding underwriting year, or
  - (b) the only insurance business written by the corporate member consists of the acceptance of reinsurance to close premiums,
 the underwriting year is not to be regarded for the purposes of subsection (2)(b) above as an underwriting year in which the corporate member writes insurance business.
- (4) In subsection (3)(b) above “reinsurance to close premium” means a premium or other consideration under a contract in pursuance of which, in accordance with the rules or practice of Lloyd’s, one underwriting member agrees with another to meet liabilities arising from the latter’s underwriting business in an underwriting year so that the accounts of the business for that year may be closed.
- (5) The group-relief continuity condition is satisfied if the corporate member (as the surrendering company) and the other company (as the claimant company) meet the conditions in section 402(2) or (3) of the Taxes Act 1988 throughout the period—
  - (a) beginning with the last day of the last active underwriting year of the corporate member, and
  - (b) ending with the first day of the first underwriting year in which losses of the last active underwriting year are declared.]

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

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

#### Textual Amendments

- F5** S. 227A inserted (19.7.2007 with effect in accordance with s. 33(2) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 33\(1\)](#)

### [<sup>F6</sup>227B Transfer of underwriting business without change of ownership

- (1) This section applies where, in accordance with the rules or practice of Lloyd's, a corporate member (“the successor”) has taken up the syndicate capacity of another corporate member (“the predecessor”).
- (2) Section 343 of the Taxes Act 1988 (company reconstructions without a change of ownership) applies as if—
  - (a) the trade mentioned in that section were the underwriting business of the predecessor,
  - (b) the predecessor ceases to carry it on, and the successor begins to carry it on, at the end of the first underwriting year in which profits or losses of the predecessor's last active underwriting year are declared, and
  - (c) subsections (8) to (10) and (12) were omitted.
- (3) For the purposes of subsection (1) above the successor has taken up the predecessor's syndicate capacity if it has taken up the rights to participate in syndicates which were (or otherwise would be) offered to the predecessor.
- (4) In subsection (2)(b) above “last active underwriting year” has the same meaning as in section 227A above (see subsections (2) to (4) of that section).]

#### Textual Amendments

- F6** S. 227B inserted (19.7.2007 with effect in accordance with s. 43(2) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 43\(1\)](#)

### 228 Lloyd’s underwriters: individuals.

- (1) Chapter III of Part II of the 1993 Act (Lloyd’s underwriters: individuals) shall have effect subject to the amendments specified in Schedule 21 to this Act.
- (2) The following provisions shall cease to have effect, namely—
  - (a) section 627 of the Taxes Act 1988 (elections by Lloyd’s underwriters with respect to retirement annuities);
  - (b) in section 641 of that Act, subsection (2) (elections by Lloyd’s underwriters with respect to carry-back of contributions); and
  - (c) in section 183 of the 1993 Act, subsection (3) (amendments of sections 627(5) and 641(2) of the Taxes Act 1988).
- (3) Subject to any provision to the contrary, the provisions of Schedule 21 to this Act have effect for the year 1994-95 and subsequent years of assessment.
- (4) Subsection (2) above has effect for the year 1997-98 and subsequent years of assessment.

**Status:**

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

**Changes to legislation:**

Finance Act 1994, Cross Heading: Miscellaneous is up to date with all changes known to be in force on or before 27 May 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.