

Status: Point in time view as at 06/04/2003.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Apportionments. (See end of Document for details)

SCHEDULES

SCHEDULE 11

LOAN RELATIONSHIPS: SPECIAL PROVISIONS FOR INSURERS

Modifications etc. (not altering text)

- C1** Sch. 11 modified (*retrospective* to 1.1.1995) by S.I. 1997/473, **reg. 53**
Sch. 11 modified (13.10.1999) by S.I. 1997/473, **reg. 53ZA** (as inserted (13.10.1999) by S.I. 1999/2636, **reg. 6**)

PART I

INSURANCE COMPANIES

Modifications etc. (not altering text)

- C1** Sch. 11 Pt. I applied (with modifications) (29.4.1996) by 1994 c. 9, s.169, **Sch. 18 para. 1** (as substituted (29.4.1996) by 1996 c. 8, s.104, **Sch. 14 para. 79** (with saving in Pt. IV Ch. II))
Sch. 11 Pt. I applied (with modifications) (24.7.2002 with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), s. 83(1), **Sch. 26 Pt. 8 para. 42**

Apportionments

- 3 Where—
- (a) any creditor relationship of an insurance company is represented by an asset which is an asset of a fund of the company or is linked to any category of insurance business, and
 - (b) any question arises for the purposes of the Corporation Tax Acts as to the extent to which credits or debits given for the purposes of this Chapter in respect of that relationship are referable to any category of the company's [^{F1}long-term] business,
- section 432A of the Taxes Act 1988 (apportionment of insurance companies' income) shall have effect in relation to the credits and debits so given in respect of that relationship as it has effect in relation to the income arising from an asset.

Textual Amendments

- F1** Words in Sch. 11 para. 3(b) substituted (1.12.2001) by S.I. 2001/3629, **art. 96(1)(b)(i)**

[^{F2}3A (1) This paragraph applies where—

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- (a) any [^{F3}loan relationship] of an insurance company is represented by a liability which is a liability of the [^{F4}long-term insurance] fund of the company; and
- (b) any question arises for the purposes of the Corporation Tax Acts as to the extent to which any debits or credits given for the purposes of this Chapter in respect of that ^{F5}. . . liability are referable to any category of the company's [^{F6}long-term] business.
- (2) If any debits relate to interest payable in respect of the late payment of any benefits, they are referable to the category of [^{F6}long-term] business which comprises the effecting and carrying out of the policies or contracts under which the benefits are payable.
- (3) If the liability is a liability of an internal linked fund of the company, any debits or credits are referable—
- (a) to the category of [^{F6}long-term] business to which the fund relates; or
- (b) where the fund relates to two or more categories of such business, to those categories in the same proportion as the linked assets in the fund are apportioned to them under section 432ZA(4) of the Taxes Act 1988 (linked assets).
- (4) In any case not falling within sub-paragraph (2) or (3) above, there shall be referable to any category of [^{F6}long-term] business the relevant fraction of any debits or credits.
- (5) For the purpose of determining that fraction, subsections (6) and (8) of section 432A of the Taxes Act 1988 (apportionment of income and gains) shall have effect as if—
- (a) the debits or credits were income not directly referable to any category of business;
- (b) the reference in subsection (6)(a) to assets directly referable to a category of business were a reference to assets linked to that category of business; and
- (c) subsection (9) of that section were omitted.
- (6) In this paragraph “internal linked fund” has the same meaning as in section 432ZA of the Taxes Act 1988 (linked assets).]

Textual Amendments

- F2** Sch. 11 para. 3A inserted (28.7.2000 with effect in relation to accounting periods beginning on or after 1.1.2000 and ending on or after 21.3.2000) by 2000 c. 17, s. 109(8)(10)
- F3** Words in Sch. 11 Pt. 1 para. 3A(1)(a) substituted (24.7.2002 with effect as mentioned in s. 79(3) of the amending Act) by Finance Act 2002 (c. 23), s. 79(2), Sch. 23 Pt. 1 para. 15(a) (with Sch. 23 Pt. 3 para. 25)
- F4** Words in Sch. 11 para. 3A(1)(a) substituted (1.12.2001) by S.I. 2001/3629, art. 96(2)
- F5** Words in Sch. 11 Pt. 1 para. 3A(1)(b) repealed (24.7.2002 with effect as mentioned in s. 79(3) of and Sch. 23 to the repealing Act) by Finance Act 2002 (c. 23), ss. 79(2), 141, Sch. 23 Pt. 1 para. 15(b), Sch. 40 Pt. 3(10) (with Sch. 23 Pt. 3 para. 25)
- F6** Words in Sch. 11 para. 3A(1)(b)(2)(3)(a)(4) substituted (1.12.2001) by S.I. 2001/3629, art. 95(1)(b)(ii)

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