

Status: Point in time view as at 21/07/2008.

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](#))
- C1** Sch. 11 modified (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) Regulations 2005 \(S.I. 2005/2014\), regs. 1\(1\), 40](#) (as amended (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) \(Amendment\) Regulations 2007 \(S.I. 2007/2134\), regs. 1\(1\), 31](#))
- C1** Sch. 11 modified (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) Regulations 2005 \(S.I. 2005/2014\), regs. 1\(1\), 41](#) (as amended (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Friendly Societies \(Modification of the Corporation Tax Acts\) \(Amendment\) Regulations 2007 \(S.I. 2007/2134\), regs. 1\(1\), 32\(a\)](#))

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

^{F13}

Textual Amendments

- F1** [Sch. 11 para. 3](#) omitted (with effect in accordance with Sch. 17 para. 17(12) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\), Sch. 17 para. 17\(11\)\(c\)](#)

[^{F23A} (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.
- [If any debits or credits relate to liabilities arising from deposit back arrangements, ^{F7}(2A) they are (subject to sub-paragraph (2B)) referable to the category of long-term business which comprises the business reinsured by the arrangements under which the deposit back arrangements are made.
- (2B) If the business reinsured is not all of the same category of long-term business, the debits and credits for any period of account are referable to the categories of business in the same proportions as the mean of the proportions at the beginning and end of the period of account of the liabilities reinsured by the arrangements which are liabilities of the categories of business.]
- (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)[^{F8}, (2A)] 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, [^{F9}subsections (6), (6A)[^{F10}, (6B)] 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) [^{F11}the references in subsections (6)(a) and (6A)(a)] to assets directly referable to a category of business were a reference to assets linked to that category of business; and
 - ^{F12}(c)
- ^{F13}(6)]

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)

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- 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\(1\)\(b\)\(ii\)](#)
- F7** Sch. 11 para. 3A(2A)(2B) inserted (with effect in accordance with Sch. 17 para. 9(3) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 17 para. 9\(1\)](#)
- F8** Word in Sch. 11 para. 3A(4) inserted (with effect in accordance with Sch. 17 para. 9(3) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 17 para. 9\(1\)](#)
- F9** Words in Sch. 11 para. 3A(5) substituted (with effect in accordance with art. 1 of the amending S.I.) by [The Insurance Companies \(Corporation Tax Acts\) \(Amendment\) Order 2005 \(S.I. 2005/3465\)](#), arts. 1, [9\(2\)\(a\)](#)
- F10** Words in Sch. 11 para. 3A(5) inserted (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 67\(3\)\(a\)](#) (with Sch. 7 Pt. 2)
- F11** Words in Sch. 11 para. 3A(5)(b) substituted (with effect in accordance with art. 1 of the amending S.I.) by [The Insurance Companies \(Corporation Tax Acts\) \(Amendment\) Order 2005 \(S.I. 2005/3465\)](#), arts. 1, [9\(2\)\(b\)](#)
- F12** Sch. 11 para. 3A(5)(c) repealed (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 67\(3\)\(c\)](#), [Sch. 27 Pt. 2\(7\)](#) (with Sch. 7 Pt. 2)
- F13** Sch. 11 para. 3A(6) repealed (with effect in accordance with Sch. 10 para. 17(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 10 para. 9\(2\)\(d\)](#), [Sch. 27 Pt. 2\(10\)](#)

Modifications etc. (not altering text)

- C1** Sch. 11 para. 3A modified (with effect in accordance with reg. 1(2)(3) of the amending S.I.) by [The Insurance Companies \(Tax Exempt Business\) Regulations 2007 \(S.I. 2007/2145\)](#), regs. 1(1), [14](#)

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