

Status: Point in time view as at 19/07/2006.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Election for accruals basis for long term business assets. (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**
- 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**

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**

Election for accruals basis for long term business assets

- 5 (1) Subject to sub-paragraphs (3) to (6) below, sub-paragraph (2) below applies for any accounting period to so much of any creditor relationship of an insurance company as—
- (a) for the whole or any part of that period is an asset within one of the categories set out in section 440(4)(d) and (e) of the Taxes Act 1988 (assets held for certain categories of [^{F1}long-term] business); and
 - (b) is an asset in relation to which an election under this paragraph is made by the company for that period.
- (2) Where—
- (a) this sub-paragraph applies for any accounting period to any asset, and
 - (b) apart from this paragraph, a mark to market basis of accounting would have had to be used for the purposes of this Chapter as respects that asset for the whole or any part of that period,

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this Chapter shall have effect as if an authorised accruals basis of accounting had to be used for the purposes of this Chapter as respects that asset for that period or part.

- (3) Sub-paragraph (2) above shall not apply to any holding to which paragraph 4(3) of Schedule 10 to this Act applies.
- (4) An election under this paragraph shall not be made except by notice in writing given to an officer of the Board not more than three months after the end of the accounting period to which the election relates.
- (5) An election under this paragraph shall be irrevocable, and shall not be varied, once it has been made.
- (6) An election shall not be made under this paragraph for any accounting period ending after [^{F2}31st March 2000].
- (7) The Treasury may, if they think fit, by order—
 - (a) amend sub-paragraph (6) above to substitute a later date for the date for the time being specified in that sub-paragraph; or
 - (b) repeal that sub-paragraph.

Textual Amendments

F1 Words in Sch. 11 para. 5(1)(a) substituted (1.12.2001) by S.I. 2001/3629, art. 96(1)(b)(iii)

F2 Words in Sch. 11 para. 5(6) substituted (2.7.1999) by S.I. 1999/1643, art. 2

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