

## SCHEDULES

### SCHEDULE 34

#### PROVISIONAL REPAYMENTS IN CONNECTION WITH PENSION BUSINESS

##### PART I

###### AMENDMENTS OF SCHEDULE 19AB TO THE TAXES ACT 1988

- 3 (1) Paragraph 3 (repayment, with interest, of excessive provisional repayments) shall be amended in accordance with the following provisions of this paragraph.
- (2) In sub-paragraph (1), for paragraphs (a) and (b) (which respectively refer to the company's assessment to corporation tax being finally determined and the amount referred to in paragraph 1(7)) there shall be substituted—
- “(a) an insurance company's self-assessment for an accounting period becomes final, and
  - (b) the aggregate amount of the provisional repayments made to the company for that accounting period exceeds the appropriate amount.”.
- (3) After that sub-paragraph there shall be inserted—
- “(1A) For the purposes of sub-paragraph (1)(b) above, the appropriate amount for an accounting period of a company is the amount (if any) which, on the assumptions in sub-paragraphs (1B) and (1C) below and disregarding any provisional repayments, the company would be entitled to be paid or repaid, when its self-assessment for the period becomes final, in respect of its pension business for that accounting period on a claim such as is mentioned in section 7 of this Act or section 42(4) of the Management Act in respect of—
- (a) income tax borne by deduction on payments received by the company in that accounting period and referable to its pension business, and
  - (b) tax credits in respect of distributions received by the company in that accounting period and referable to its pension business.
- (1B) The first assumption is that no payments or repayments have been made to the company in respect of—
- (a) income tax such as is mentioned in paragraph (a) of sub-paragraph (1A) above, or
  - (b) tax credits such as are mentioned in paragraph (b) of that sub-paragraph,
- before the company's self-assessment for the accounting period in question becomes final.
- (1C) The second assumption is that in making any set off under—

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*Status: This is the original version (as it was originally enacted).*

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- (a) section 7(2),
- (b) paragraph 5 of Schedule 16, or
- (c) regulations made by virtue of section 51B,

income tax borne by deduction on income which is not referable to pension business is set off before income tax so borne on income which is referable to pension business.

(1D) In its application by sub-paragraph (1) above, section 30 of the Management Act shall have effect as if, instead of the provision made by subsection (5), it provided that an assessment under that section by virtue of sub-paragraph (1) above is not out of time under section 34 of that Act if it is made no later than the end of the accounting period following that in which the self-assessment mentioned in paragraph (a) of that sub-paragraph becomes final.”

(4) In sub-paragraph (3) (application of section 87A of the Taxes Management Act 1970) in paragraph (b) (which provides for the specified words in subsection (1) of that section to be disregarded) for ““(in accordance with section 10 of the principal Act)”” there shall be substituted ““(in accordance with section 59D of this Act)””.

(5) In sub-paragraph (4) (amount of principal outstanding to be determined in accordance with sub-paragraphs (5) to (7)) for ““(7)”” there shall be substituted ““(8)””.

(6) After sub-paragraph (7) there shall be added—

“(8) For the purposes of sub-paragraph (7) above, any repayment made by the company in respect of an amount paid or repaid to it in respect of—

- (a) income tax such as is mentioned in paragraph (a) of sub-paragraph (1A) above, or
- (b) tax credits such as are mentioned in paragraph (b) of that sub-paragraph,

shall be treated as a repayment in respect of the principal, taking an earlier such repayment by the company before a later.

(9) In this paragraph “self-assessment” means an assessment included in a return under section 11 of the Management Act by virtue of section 11AA of that Act and includes a reference to such an assessment as amended.”