



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 19

GIVING EFFECT TO ALLOWANCES AND CHARGES

Life assurance business

255 Apportionment of allowances and charges

- (1) Except where subsection (3) applies, the allowances or charges must be apportioned between the different categories of life assurance business carried on by the company, using the formula—

$$Ax \frac{B}{C}$$

where—

A is the amount of the allowance or charge,

B is the mean of the opening and closing liabilities of the category of life assurance concerned, and

C is the mean of the opening and closing liabilities of all the categories of life assurance business carried on by the company.

- (2) In its application to an overseas life insurance company, subsection (1) has effect as if the references to liabilities were only to such liabilities as are attributable to the branch or agency in the United Kingdom through which the company carries on the business concerned.

- (3) If—

Status: This is the original version (as it was originally enacted).

- (a) the company is charged to tax under section 441 of ICTA in respect of its overseas life assurance business, and
- (b) the management asset in respect of which it is entitled to an allowance or liable to a charge for a chargeable period is provided outside the United Kingdom for use for the management of that business,

the allowance or charge must be allocated (without any apportionment) to that business.