
Status: Point in time view as at 24/07/2002.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Part 4. (See end of Document for details)

SCHEDULES

SCHEDULE 12

TAX RELIEF FOR EXPENDITURE ON RESEARCH AND DEVELOPMENT

PART 4

SPECIAL PROVISION FOR GIVING RELIEF TO INSURANCE COMPANIES

Treated as large companies

- 12 Where, in an accounting period, an insurance company (within the meaning of Chapter 1 of Part 12 of the Taxes Act 1988)—
- (a) carries on life assurance business, and
 - (b) qualifies as a small or medium-sized enterprise,
- Parts 1 to 3 of this Schedule apply to that company as if it did not qualify as such an enterprise in that period.

Entitlement to relief in respect of "I minus E" basis

- 13 (1) This paragraph applies where for any accounting period the profits arising to a company from its life assurance business are not charged to corporation tax under Case I of Schedule D.
- (2) The provisions of Part 3 which allow a deduction in calculating the profits of a trade apply in relation to the company to treat amounts as disbursed as expenses of management.
- (3) Where by virtue of section 436, 439B or 441 of the Taxes Act 1988—
- (a) any profits arising to the company from any category of life assurance business are treated as income chargeable under Case VI of Schedule D, and
 - (b) the profits of that part of that business are computed in accordance with the provisions of that Act applicable to Case I of that Schedule,
- Part 3 of this Schedule has effect as if the references to the trade carried on by the company were references to that part of that business (and sub-paragraph (2) does not apply in relation to that part).
- (4) Subject to sub-paragraph (3), the provisions of Part 3 do not apply to allow any deduction in any computation of the profits of the company's life assurance business made in accordance with the provisions of the Taxes Act 1988 applicable to Case I of Schedule D.

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