

Status: Point in time view as at 14/11/2012.

Changes to legislation: Finance Act 2007, Paragraph 86 is up to date with all changes known to be in force on or before 15 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 7

INSURANCE BUSINESS: GROSS ROLL-UP BUSINESS ETC

PART 2

TRANSITIONAL PROVISIONS

[^{F1}[^{F2}Losses transferred under section 444AZB]

Textual Amendments

- F1** Sch. 7 paras 85, 86 and cross-headings added (with effect in accordance with art. 1(5) of the amending S.I.) by [The Insurance Business Transfer Schemes \(Amendment of the Corporation Tax Acts\) Order 2008 \(S.I. 2008/381\)](#), arts. 1(1), **30**
- F2** Sch. 7 para. 86 cross-heading substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 1 para. 725(5)** (with [Sch. 2 Pts. 1, 2](#))

- 86 (1) This paragraph applies where section 444AZB of ICTA has effect in relation to a transferee and the circumstances specified in sub-paragraph (2) or (3) below apply.
- (2) The circumstances are that—
- the profits of the life assurance business of the transferee for the period of account immediately preceding the first period of account beginning on or after 1st January 2007 were chargeable to tax in accordance with Case I of Schedule D by virtue of section 439A of ICTA, and
 - in that period, the transferee carried on pension business.
- (3) The circumstances are that—
- paragraph 29 of Schedule 8 applies in relation to the transferee, and
 - the transferee has an unused pension business loss within the meaning given by paragraph 81(4).
- (4) The appropriate fraction of any amount treated by virtue of section 444AZB(2) of ICTA as a loss of the transferee (a “[^{F3}gross roll-up business] loss”) available to be set off against profits chargeable under section 436A of ICTA is to be treated for the purposes of paragraph 81 as an unused pension business loss.
- (5) The relevant fraction of any [^{F4}gross roll-up business] loss is to be treated for the purposes of paragraph 82 as an unused non-pension business loss.
- (6) In this paragraph “the appropriate fraction”, in relation to a period of account, is—

PBTLTL

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where—

“*PBTL*” is the mean of the opening and closing liabilities of the transferred pension business for the period of account, and

“*TL*” is the mean of the opening and closing liabilities of the transferred life assurance business for the period of account.

(7) In this paragraph the “the relevant fraction”, in relation to a period of account, is—

NPBTLTL

where—

“*NPBTL*” is the mean of the opening and closing liabilities of the transferred gross roll-up business which is not pension business for the period of account, and

“*TL*” is the mean of the opening and closing liabilities of the transferred life assurance business for the period of account.]

Textual Amendments

- F3** Words in Sch. 7 para. 86(4) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 725\(4\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F4** Words in Sch. 7 para. 86(5) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 725\(4\)](#) (with [Sch. 2 Pts. 1, 2](#))

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