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SCHEDULES

SCHEDULE 17

Section 43

INSURANCE COMPANIES ETC

Financing-arrangement-funded transfers

F1₁

Textual Amendments

F1 Sch. 17 para. 1 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

F2₂

Textual Amendments

F2 Sch. 17 para. 2 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

- 3 In consequence of paragraphs 1 and 2, omit—
- (a) paragraph 2(2A) of Schedule 11 to FA 1996,
 - (b) paragraph 3 of Schedule 33 to FA 2003,
 - (c) paragraph 8 of Schedule 11 to FA 2006, and
 - (d) paragraph 1 of Schedule 10 to FA 2007.

F3₄

Textual Amendments

F3 Sch. 17 paras. 4-6 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Expenses: fronting reinsurance commissions etc

F3₅

Textual Amendments

F3 Sch. 17 paras. 4-6 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

F3₆

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Textual Amendments

F3 Sch. 17 paras. 4-6 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Structural assets

- 7 In section 83XA of FA 1989 (structural assets), omit—
 - (a) subsections (10) and (11), and
 - (b) in subsection (15), “or (10)”.

^{F4}8

Textual Amendments

F4 Sch. 17 para. 8 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Deposit back arrangements

- 9 ^{F5}(1)
- ^{F6}(2)
- ^{F7}(3)

Textual Amendments

- F5** Sch. 17 para. 9(1) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
- F6** Sch. 17 para. 9(2) omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)
- F7** Sch. 17 para. 9(3) omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Foreign business assets

^{F8}10

Textual Amendments

F8 Sch. 17 para. 10 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Foreign currency assets

^{F9}11

Textual Amendments

F9 Sch. 17 para. 11 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

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Derivative contracts

F10 12

Textual Amendments

F10 Sch. 17 para. 12 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

Apportionments

13 In section 210A of TCGA 1992 (ring fencing of losses), after subsection (10) insert—

“(10A) But where the BLAGAB profits for an accounting period are nil, the policy holders' share of the chargeable gains or allowable losses accruing in the accounting period—

- (a) if there are Case I profits of the accounting period in respect of its life assurance business, is nil, and
- (b) otherwise, is such proportion of the chargeable gains or allowable losses as is just and reasonable;

and for this purpose there are Case I profits if there are profits computed in accordance with the provisions applicable to Case I of Schedule D after making adjustments in respect of losses in accordance with section 85A(4) of the Finance Act 1989.”

14 In section 755A of ICTA (treatment of chargeable profits and creditable tax apportioned to life assurance company), after subsection (11B) insert—

“(11BA) But where the BLAGAB profits for the relevant accounting period are nil, the relevant fraction—

- (a) if there are Case I profits of the accounting period in respect of its life assurance business, is nil, and
- (b) otherwise, is such fraction as is just and reasonable;

and for this purpose there are Case I profits if there are profits computed in accordance with the provisions applicable to Case I of Schedule D after making adjustments in respect of losses in accordance with section 85A(4) of the Finance Act 1989.”

15 The amendments made by paragraphs 13 and 14 have effect in relation to accounting periods beginning on or after 1 January 2008 and ending on or after 12 March 2008.

UK distributions received by insurance companies

16 (1) In ICTA, after section 95 insert—

“95ZA Taxation of UK distributions received by insurance companies

(1) If the total amount of relevant distributions received by a company in an accounting period exceeds £50,000, those distributions are to be taken into account in calculating for corporation tax purposes the profits of the

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company in that period (and accordingly section 208 does not apply in relation to those distributions).

- (2) A company (“company A”) receives a “relevant distribution” if—
- (a) it receives a distribution made by a company resident in the United Kingdom (“company B”),
 - (b) the value of the shares or stock in respect of which the distribution is made (“the holding”) is materially reduced by reason of the distribution,
 - (c) a profit on the sale of the holding (to anyone other than company B) would be taken into account in calculating company A's profits in respect of relevant insurance business, and
 - (d) either—
 - (i) the holding amounts to, or is an ingredient in a holding amounting to, 10% of all holdings of the same class in company B, or
 - (ii) the period between the acquisition by company A of the holding and that company first taking steps to dispose of the holding does not exceed 30 days.
- (3) In this section “relevant insurance business” means any kind of insurance business other than life assurance business.
- (4) Section 177(7) of TCGA 1992 (provision supplementing provision corresponding to subsection (2)(d)(i) above) applies for the purposes of subsection (2)(d)(i).
- (5) Section 731(4) below (interpretation of “taking steps to dispose of securities”) applies for the purposes of subsection (2)(d)(ii) as if the reference to the securities were to the holding.”
- (2) The amendment made by sub-paragraph (1) has effect in relation to distributions made on or after 1 April 2008.

Clarification of scope of ICTA s.432A

^{F11}17

Textual Amendments

F11 Sch. 17 para. 17 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(q\)\(ii\)](#)

“BLAGAB profits” etc

^{F12}18

Textual Amendments

F12 Sch. 17 para. 18 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(q\)\(ii\)](#)

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Abolition of “inherited estates” apportionment rules

- 19 (1) Chapter 1 of Part 12 of ICTA (insurance companies) is amended as follows.
- (2) In section 431(2ZB) and (2ZC) (interpretative provisions), insert “or” at the end of paragraph (b) and omit paragraph (d) and the “or” before it.
- (3) In section 432A (apportionment of income and gains), omit—
- (a) in subsection (6), paragraph (b) of the definition of A (but not the “and” following it),
 - (b) in subsection (8), paragraph (b) and the “and” before it, and
 - (c) subsections (8A) and (8B).
- (4) In section 432B (apportionment of receipts brought into account), omit subsections (4) to (12).
- (5) The amendments made by this paragraph have effect in relation to periods of account beginning on or after 1 January 2007.

Insurance special purpose vehicles

F1320

Textual Amendments

F13 Sch. 17 paras. 20-22 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Group relief: gross profits to exclude relevant profits

F1321

Textual Amendments

F13 Sch. 17 paras. 20-22 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Charges on income

F1322

Textual Amendments

F13 Sch. 17 paras. 20-22 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Remediation of contaminated land

F1423

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Textual Amendments

F14 Sch. 17 para. 23 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

Repeal of ICTA s.56(4)

- 24 (1) In section 56 of ICTA (transactions in deposits and debts), omit subsection (4) (which relates to section 76(2) computations and is spent).
- (2) In consequence of sub-paragraph (1), in section 164 of FA 1996, omit subsection (4) (which amends section 56(4) of ICTA).

Partnership returns

- 25 In section 12AE(2) of TMA 1970 (partnership returns: alternative methods for bringing amounts into charge to tax), for “84(2) or (3)” substitute “ 84(1) ”.

Overseas life assurance business

^{F15}26

Textual Amendments

F15 Sch. 17 para. 26 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

- 27 (1) In section 476(3) of ITTOIA 2005 (foreign policies), omit—
 - (a) “as a result of section 431D(1)(a) of ICTA (business with a non-UK resident policy holder)”, and
 - (b) “as a result of section 431D(1) of ICTA”.
- (2) In consequence of sub-paragraph (1), omit paragraph 78 of Schedule 7 to FA 2007.
- (3) The amendments made by this paragraph have effect as if they were made by Schedule 7 to FA 2007 (see section 38(2) of that Act).

Trades in I minus E

- 28 ^{F16}(1)
- ^{F16}(2)
- ^{F17}(3)
- ^{F18}(4)

Textual Amendments

F16 Sch. 17 para. 28(1)(2) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

F17 Sch. 17 para. 28(3) omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

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F18 Sch. 17 para. 28(4) omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Controlled foreign companies

F1929

Textual Amendments

F19 Sch. 17 para. 29 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2) and (with effect in accordance with Sch. 16 para. 6 of the amending Act) by virtue of Finance Act 2009 (c. 10), Sch. 16 para. 5(j) (with Sch. 16 paras. 78)

Offshore income gains

F2030

Textual Amendments

F20 Sch. 17 para. 30 repealed (with effect in accordance with reg. 1(2)(3), Sch. 1 of the amending S.I.) by The Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001), reg. 1(1), Sch. 2

Transfers of business

F2131

Textual Amendments

F21 Sch. 17 paras. 31-34 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

F2132

Textual Amendments

F21 Sch. 17 paras. 31-34 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

F2133

Textual Amendments

F21 Sch. 17 paras. 31-34 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Periodical return

F2134

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Textual Amendments

F21 Sch. 17 paras. 31-34 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Repeal of section 737D of ICTA

- 35 (1) In ICTA, omit section 737D (power to provide that manufactured payments are to be treated as income eligible for relief under section 438).
- (2) In consequence of sub-paragraph (1), omit—
- (a) section 83(1) of FA 1995,
 - (b) section 139(6) of FA 2006, and
 - (c) paragraph 175 of Schedule 1 to ITA 2007.

R&D relief

^{F22}36

Textual Amendments

F22 Sch. 17 para. 36 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

Section 89(7) of FA 1989

^{F23}37

Textual Amendments

F23 Sch. 17 para. 37 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(q)(ii)

Commencement of Schedule 9 to FA 2007

- 38 (1) Paragraph 17 of Schedule 9 to FA 2007 (transfers: commencement) is amended as follows.
- (2) In sub-paragraph (2), for “9, 10(3) to (5),” substitute “ 10(5), ”.
- (3) In sub-paragraph (3)—
- (a) after “effect” insert “ (a) ”, and
 - (b) insert at the end “and
 - (b) in relation to periods of account ending after 30 June 2008 where the transfer of business or demutualisation concerned took place on or after 21 March 2007 and before 1 July 2008.”
- (4) After sub-paragraph (4) insert—
- “(4A) The amendment made by paragraph 9 has effect in relation to contracts entered into in a period of account beginning on or after 1 January 2008.”

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(5) Insert at the end—

“(6) The amendments made by paragraph 10(3) and (4) have effect in relation to assets transferred on or after 1 January 2008.”

Commencement of Business Transfer Schemes Order

- 39 (1) In article 1(5) of the Insurance Business Transfer Schemes (Amendment of the Corporation Tax Acts) Order 2008 (S.I. 2008/381), for “other” substitute “ earlier ”.
- (2) In article 29(2), for “ “assuming the transferor had continued to carry on the business transferred after the transfer” ” substitute “assuming that the transferor had continued to carry on the business transferred” .
- (3) The amendments made by this paragraph are to be treated as always having had effect.

Gross roll-up business

- 40 (1) In section 436A(6) of ICTA (gross roll-up business: separate charge on profits), omit “under subsection (4) above”.
- (2) The amendment made by sub-paragraph (1) has effect in relation to periods of account beginning on or after 1 January 2008 and ending on or after 12 March 2008.

Repeal of spent provision

- 41 In section 88(5) of FA 1989 (policy holders' share of profits), omit the words after “January 1990”.

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