

*Status: Point in time view as at 21/07/2009.*

*Changes to legislation: Finance Act 2008, Paragraph 10 is up to date with all changes known to be in force on or before 20 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 17

#### INSURANCE COMPANIES ETC

##### *Foreign business assets*

- 10 (1) In ICTA, in subsection (2) of section 431 (interpretative provisions about insurance companies), for the definition of “foreign currency assets” substitute—

““foreign business assets”, in relation to an insurance company, means assets, other than linked assets, which either—

- (a) are shown in the records of the company as being primarily attributable to liabilities of the company's foreign business, or
- (b) are attributable, under the law of a country or territory outside the United Kingdom, to a permanent establishment of the company in that country or territory through which it carries on foreign business;

and for this purpose “foreign business” means overseas life assurance business or life reinsurance business to the extent that it consists of the reinsurance of overseas life assurance business;”.

- (2) After that section insert—

##### **“431ZA Election that assets not be foreign business assets**

(1) An insurance company may, in its company tax return for the first accounting period of the company beginning on or after 1 January 2008 in which any of the assets of the company's long-term insurance fund would (apart from this section) be foreign business assets, elect that none of the assets of the company's long-term insurance fund are to be regarded for the purposes of this Act as being foreign business assets.

(2) The election has effect for that accounting period and all subsequent accounting periods of the company.

(3) An election under subsection (1) is irrevocable.”

- (3) In ICTA—

- (a) in section 432A(4A),
- (b) in section 432C(3), (4), (5), (7), (8) and (9),
- <sup>F1</sup>(c) .....
- (d) in section 440(4), and
- (e) in section 804B(3A),

for “currency” substitute “business”.

- (4) In section 432E of ICTA—

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- (a) in subsection (3)(b), and
  - (b) in subsection (4), in the definition of B,  
omit “and foreign currency assets”.
- (5) In paragraph 19(4)(b) of Schedule 7 to FA 2007, omit sub-paragraph (ii) (and the “and” before it).
- (6) The amendments made by this paragraph have effect in relation to periods of account beginning on or after 1 January 2008.
- (7) But an insurance company may, in its company tax return for an accounting period beginning on or after 1 January 2007 but before 1 January 2008, elect that the amendments made by this paragraph have effect in relation to that accounting period.

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**Textual Amendments**

- F1** [Sch. 17 para. 10\(3\)\(c\)](#) omitted (with effect in accordance with Sch. 23 para. 7 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 23 para. 6\(b\)](#)

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