
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Paragraph 80. (See end of Document for details)

SCHEDULES

SCHEDULE 16

PART 2: MINOR AND CONSEQUENTIAL AMENDMENTS

PART 3

AMENDMENTS OF OTHER ACTS

Taxation of Chargeable Gains Act 1992

- 80 (1) Section 210A (ring-fencing of losses) is amended as follows.
- (2) For subsection (2) substitute—
- “(2) Non-BLAGAB allowable losses accruing to an insurance company are allowable as a deduction from the shareholders' share (if any) of the BLAGAB chargeable gains accruing to the company (but are not otherwise allowable as a deduction from the BLAGAB chargeable gains accruing to the company).”
- (3) For subsections (10) and (10A) substitute—
- “(10) For the purposes of this section the “shareholders' share” of BLAGAB chargeable gains or BLAGAB allowable losses accruing to an insurance company in an accounting period is determined as follows.
- (10A) If the company has an I - E profit for the accounting period—
- (a) find the percentage (including, if applicable, nil) of the I - E profit that is not represented by the policyholders' share of that profit as determined in accordance with section 103 of the Finance Act 2012, and
- (b) then multiply that percentage by the amount of the BLAGAB chargeable gains or BLAGAB allowable losses.
- The result is the shareholder's share of the BLAGAB chargeable gains or BLAGAB allowable losses.
- (10B) If the company does not have an I - E profit for the accounting period, the shareholders' share of the BLAGAB chargeable gains or BLAGAB allowable losses is nil.
- (10C) In determining for the purposes of subsections (10A) and (10B) whether or not the company has an I - E profit for an accounting period, assume that non-BLAGAB allowable losses cannot be deducted to any extent from BLAGAB chargeable gains (and, accordingly, assume that section 95 is not included in the Finance Act 2012).”
- (4) In subsection (11)—

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- (a) for “the policy holders' share” substitute “the shareholders' share”, and
- (b) for “subsection (10)” substitute “ subsections (10) to (10C) ”.

(5) Omit subsection (12).

(6) In subsection (13)—

- (a) in the definitions of “BLAGAB allowable losses” and “BLAGAB chargeable gains”, for “(in accordance with section 432A of the Taxes Act)” substitute “, in accordance with Chapter 4 of Part 2 of the Finance Act 2012, ”, and
- (b) omit the definitions of “the relevant profits” and “the policy holders' share of the relevant profits” (together with the “and” before the definition of “the relevant profits”).

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