



Finance Act 2012

2012 CHAPTER 14

PART 2

INSURANCE COMPANIES CARRYING ON LONG-TERM BUSINESS

CHAPTER 10

TRANSFERS OF LONG-TERM BUSINESS

Transfers of BLAGAB

[^{F1}130A Re-insurance in the course of transfer of BLAGAB

- (1) This section applies to a re-insurer in relation to the re-insurance of the whole, or part of, a cedant's basic life assurance and general annuity business, if—
 - (a) the business is not excluded business for the purposes of section 57(2)(e), and
 - (b) it is reasonable to suppose that the arrangements for the re-insurance are made, or are operated, in connection with an insurance business transfer scheme under which the business will be transferred to the re-insurer or a person connected with the re-insurer.
- (2) Where the arrangements are operated, but were not made, in connection with the insurance business transfer scheme, this section is to apply to the re-insurer from the later of—
 - (a) the beginning of the accounting period in which it is reasonable to suppose that the arrangements were first operated in connection with the transfer, and
 - (b) 15 December 2022.
- (3) Where this section applies in relation to re-insurance, that re-insurance (so far as it is of basic life assurance and general annuity business) is to be treated as excluded business for the purposes of section 57(2)(e) (and that business is referred to in this section as “the re-insured business”).

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2012, Section 130A. (See end of Document for details)*

- (4) Accordingly—
- (a) the re-insured business is, or forms part of, the separate basic life assurance and general annuity business of the re-insurer (see section 66(2)), and
 - (b) accounting profit or loss and the tax adjustments (within the meaning of section 114(4)) referable to the re-insured business are, for the purposes of provision made by or under this Part or Schedule 5 to FA 2022, to be allocated to the basic life assurance and general annuity business.
- (5) But, subject to subsection (6), no amount referable to the re-insured business is to be included in the determination of the I-E profit of the re-insurer for an accounting period (and accordingly, subject to that subsection, the I-E profit referable to that business for the accounting period will be nil).
- (6) Any BLAGAB trade loss relieved for an accounting period (see section 78(5)) that is referable to the re-insured business is to be included (as a deduction in Step 4 in section 76) in determining the adjusted BLAGAB management expenses of the re-insurer for the accounting period (which, accordingly, may result in the I-E profit referable to that business for the accounting period being greater than nil).
- (7) Nothing in this section is to be taken to affect the liability of the cedant to corporation tax.
- (8) For the purposes of this section “arrangements” includes any agreement, scheme, transaction or understanding (whether or not legally enforceable).
- (9) Section 1122 of CTA 2010 (connected persons) has effect for the purposes of this section.]

Textual Amendments

- F1** S. 130A inserted (retrospective to 15.12.2022 and with effect in accordance with s. 30(2)-(4) of the amending Act) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), s. 30(1)

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2012, Section 130A.