Finance Act 2012

2012 CHAPTER 14

PART 2

INSURANCE COMPANIES CARRYING ON LONG-TERM BUSINESS

CHAPTER 3

THE I - E BASIS

Deemed I - E receipts

92 Certain BLAGAB trading receipts to count as deemed I - E receipts

(1) This section applies if—

(a) an insurance company has receipts that are taken into account in calculating its BLAGAB trade profit or loss (see section 136) for an accounting period,

(b) the receipts would not fall within the charge to corporation tax apart from this section, and

(c) the receipts are not excluded receipts.

(2) The appropriate amount of the receipts is an I - E receipt of the company for the accounting period.

(3) The "appropriate amount" of the receipts is found by deducting expenses from the receipts so far as is necessary for calculating the full amount of the profits.

(4) Chapter 1 of Part 20 of CTA 2009 (general rules for restricting deductions) is to apply to that calculation.

(5) The following receipts are "excluded" receipts—

(a) premiums,

(b) sums received under re-insurance contracts (but see subsection (6) for exceptions),

(c) sums which do not fall within the charge to corporation tax because of an exemption,

(d) payments received under the Financial Services Compensation Scheme, and

(e) payments received from other insurance companies to enable the company to meet its obligations to policyholders.

(6) A sum received under a re-insurance contract is not an excluded receipt if—

(a) it is a re-insurance commission (however described), or

(b) it is a sum calculated to any extent by reference to the ordinary BLAGAB management expenses of the company referable to the accounting period (within the meaning of section 77).

Status:
Point in time view as at 01/01/2023. This version of this provision has been superseded.

Changes to legislation:
There are currently no known outstanding effects for the Finance Act 2012, Section 92.