



Finance Act 2017

2017 CHAPTER 10

PART 1

DIRECT AND INDIRECT TAXES

Indirect taxes

17 Insurance premium tax: standard rate

- (1) In section 51(2)(b) of FA 1994 (standard rate of insurance premium tax), for “10 per cent” substitute “12 per cent”.
- (2) Subject to subsection (3), the amendment made by subsection (1) has effect in relation to a premium falling to be regarded for the purposes of Part 3 of FA 1994 as received under a taxable insurance contract by an insurer on or after 1 June 2017.
- (3) That amendment does not have effect in relation to a premium falling within subsection (4), unless the premium falls to be regarded for the purposes of Part 3 of FA 1994 as received under a taxable insurance contract by an insurer on or after 1 June 2018.
- (4) A premium falls within this subsection if it is in respect of a risk for which the period of cover begins before 1 June 2017.
- (5) In the application of sections 66A and 66B of FA 1994 (anti-forestalling provision) in relation to the increase in insurance premium tax made by this section, the announcement relating to that increase is to be taken to have been made on 8 March 2017 (and “the change date” is to be taken to be 1 June 2017).
- (6) This section is to be read with section 66C of FA 1994 (premiums relating to more than one period of cover).