

1990 No. 2546

INCOME TAX

**The Life Assurance (Apportionment of Receipts of
Participating Funds) (Applicable Percentage)
(Amendment) Order 1990**

Made - - - - - *12th December 1990*
Laid before the House of Commons *14th December 1990*
Coming into force *4th January 1991*

The Treasury, in exercise of the power conferred on them by section 432E(4) of the Income and Corporation Taxes Act 1988(a), hereby make the following Order:

Citation and commencement

1. This Order may be cited as the Life Assurance (Apportionment of Receipts of Participating Funds) (Applicable Percentage) (Amendment) Order 1990 and shall come into force on 4th January 1991.

Interpretation

2. In this Order "the principal Order" means the Life Assurance (Apportionment of Receipts of Participating Funds) (Applicable Percentage) Order 1990(b).

Amendment to the principal Order

3. For article 5 of the principal Order there shall be substituted—

"Net investment yield

5. The net investment yield determined in accordance with this article is—

$$\frac{B \times 100}{C} \text{ per cent.}$$

where—

B is the net amount referred to in subsection (1) of the principal section as brought into account for the period in question for the purposes of section 83(1) of the Finance Act 1989(c) in respect of the relevant business less the part of that net amount which is attributable to assets linked solely to a particular category of business; and

C is the mean of the opening and closing liabilities of the relevant business reduced by the opening and closing values of any assets of the relevant business linked solely to a particular category of business."

Thomas Sackville
Gregory Knight

12th December 1990

Two of the Lords Commissioners of Her Majesty's Treasury

(a) 1988 c.1; section 432E was inserted by paragraph 4 of Schedule 6 to the Finance Act 1990 (c.29).
(b) S.I. 1990/1541.
(c) 1989 c.26.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 4th January 1991, amends the Life Assurance (Apportionment of Receipts of Participating Funds) (Applicable Percentage) Order 1990 ("the principal Order") by substituting a new article 5 for that contained in the principal Order. The new article 5 contains a revised formula for determining the net investment yield of a relevant business for the purposes of article 3 of the principal Order.

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