
STATUTORY INSTRUMENTS

1994 No. 1527

INCOME TAX

The Private Medical Insurance (Tax Relief) (Amendment) Regulations 1994

<i>Made</i>	- - - -	<i>9th June 1994</i>
<i>Laid before the House of Commons</i>	- - - -	<i>9th June 1994</i>
<i>Coming into force</i>	- -	<i>1st July 1994</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by sections 54(4) and 57 of the Finance Act 1989(1), hereby make the following Regulations:

Citation and Commencement

1. These Regulations may be cited as the Private Medical Insurance (Tax Relief) (Amendment) Regulations 1994 and shall come into force on 1st July 1994.

Interpretation

2. In these Regulations, “the principal Regulations” means the Private Medical Insurance (Tax Relief) Regulations 1989(2) and “regulation” means a regulation of those Regulations.

Amendments to the principal Regulations

3. In regulation 2, for the definition of “the Treasury Regulations” there shall be substituted—
““the Treasury Regulations” means the Private Medical Insurance (Disentitlement to Tax Relief and Approved Benefits) Regulations 1994(3);”.

4.—(1) Regulation 3 shall be amended as follows.

(2) After paragraph (2), the following paragraph shall be inserted—

“(2A) Relief shall also be given at source in any case where a payment within subsection (2A) (b) of section 54(4) is made, and—

(1) 1989 c. 26.

(2) S.I. 1989/2387.

(3) S.I. 1994/1518.

(4) Subsection (2A) of section 54 was inserted by paragraph 4(1) of Schedule 10 to the Finance Act 1994 (c. 9).

- (a) the person to whom the payment is made is—
 - (i) a qualifying insurer for the purposes of section 55(5) by virtue of subsection (8) (a) of that section, or
 - (ii) a managing agent;
 - (b) the conditions specified in paragraph (3) were satisfied immediately before the death referred to in subsection (2A) (b) of section 54; and
 - (c) the conditions specified in paragraphs (3) (a) (ii), (3) (b) (ii) and, if applicable, (3) (b) (iii) are satisfied at the time the payment is made.”.
- (3) In paragraph (3), in sub-paragraph (b)—
- (a) in paragraph (i), for the words “of the information contained or declared in the claim” there shall be substituted the words “part of the information, certificate and declaration provided in the notice specified in regulation 4”;
 - (b) immediately following paragraph (ii), the word “and” shall be omitted;
 - (c) after paragraph (iii), the following shall be added—
 - “and
 - (iv) has given an undertaking in writing to the Board that, before entering into a further contract, he will give notice to the individual making the payment that the individual is under an obligation, before entering into a further contract, to notify the insurer of any changes, either in the individual’s circumstances or in those of the insured under the contract, which will affect any part of the information, certificate and declaration and undertaking provided in the notice specified in regulation 4.”.
- 5.—(1)** Regulation 4 shall be amended as follows.
- (2) For paragraph (2), the following paragraph shall be substituted—
- “(2) The information specified in this paragraph is—
 - (a) the full name of the individual,
 - (b) his permanent residential address including postcode,
 - (c) if he has one, his national insurance number, and
 - (d) where he is not the insured under the contract, the full name and permanent residential address including postcode of every person insured under it.”.
- (3) After paragraph (3), the following paragraph shall be inserted—
- “(3A) The certificate specified in paragraph (3) shall also apply to a further contract made between the same individual and the same insurer, and in respect of the same person or persons insured, until the individual notifies the insurer otherwise.”.
- (4) In paragraph (4)—
- (a) in sub-paragraph (b), for the words “making the claim” there shall be inserted the words “giving the notice”;
 - (b) immediately following sub-paragraph (c), the word “and” shall be omitted;
 - (c) after sub-paragraph (d), the following shall be added—
 - “and

- (e) he will notify the insurer of any changes, either in his circumstances or in those of the insured under the contract, which will affect the information, certificate and declaration and undertaking provided in the notice.”.

6. In regulation 7, after paragraph (1), the following paragraph shall be inserted—

“(1A) At the same time as making an interim claim the claimant shall provide the Board with a statement showing—

- (a) the number of contracts taken out or renewed on or after the previous 6th April under which relief at source has been given;
- (b) the number of individuals insured under those contracts;
- (c) the number of those contracts where a premium is paid by an individual not insured under the contract.”.

7.—(1) Regulation 8 shall be amended as follows.

(2) In paragraph (1), for the words “made to him (and not repaid by him)” there shall be substituted the words “in respect of premiums received and in respect of all premiums refunded by him”.

(3) After paragraph (1), the following paragraph shall be inserted—

“(1A) At the same time as making an annual claim for a year the claimant shall provide the Board with a statement showing—

- (a) the number of contracts taken out or renewed during the year under which relief at source has been given;
- (b) the number of individuals insured under those contracts;
- (c) the number of those contracts where a premium is paid by an individual not insured under the contract;
- (d) the amount of relief claimed in relation to the contracts mentioned in subparagraph (c).”.

8. In regulation 9, in paragraph (1), for the words “a year” there shall be substituted the words “the year ending on 5th April 1994 or any earlier year”.

9. After regulation 9, the following regulation shall be inserted—

“Provision of certificates by insurers for the year beginning on 6th April 1994 and later years

9A.—(1) An individual who is entitled to claim relief under subsection (3) of section 54(6) in respect of payments made by him under a contract in the year beginning on 6th April 1994 or any later year may, at any time after 56 days have elapsed following the end of that year, request a certificate from a person who is an insurer specified in paragraph (2) stating the matters specified in paragraph (3).

(2) An insurer specified in this paragraph is an insurer within regulation 12(2)(b)(iv) with whom the individual has entered into the contract referred to in paragraph (1).

(3) The matters specified in this paragraph are—

- (a) the year to which the certificate relates;
- (b) the amount of the premium under the contract paid in that year;
- (c) the full name of the individual;
- (d) his permanent residential address including postcode;

- (e) if he has one, his national insurance number; and
- (f) the full name and permanent residential address including postcode of every person insured under the contract.

(4) The insurer shall provide a certificate requested under this regulation within 30 days of the request.”.

10. In regulation 10, in paragraph (2), for the words from “after the termination” to the end there shall be substituted the words “after the end of the year in which the notice is superseded by a further notice of entitlement or the individual ceases to be entitled to relief under section 54”.

11.—(1) Regulation 12 shall be amended as follows.

(2) In paragraph (2), in sub-paragraph (b), the following paragraphs shall be substituted for paragraph (ii)—

- “(ii) declare that it is an incorporated friendly society for the purposes of the Friendly Societies Act 1992(7) which is entitled to provide insurance under contracts of private medical insurance; or
- (ia) declare that it is a registered friendly society for the purposes of the Friendly Societies Act 1992 which is entitled to provide insurance under contracts of private medical insurance; or
- (iib) declare that it is a trade union for the purposes of section 467(4) of the Taxes Act(8) which is entitled to provide insurance under contracts of private medical insurance; or”.

(3) In paragraph (2), in sub-paragraph (b), the following paragraph shall be substituted for paragraph (iv)—

- “(iv) declared that he is an insurer who does not fall within paragraph (i), that he is either an EEA national or a company or partnership formed under the law of any part of the United Kingdom or the law of any other EEA State which has its registered office, central administration or principal place of business in an EEA State, and that he is authorised to provide insurance under contracts of private medical insurance under the law in force in the EEA State of which he is a national, or in which it has its registered office, central administration or principal place of business, as the case may be; and”.

(4) After paragraph (4), the following paragraph shall be added—

“(5) In this regulation—

“EEA national” means a national of a State which is a Contracting Party to the EEA Agreement other than the United Kingdom, but until the EEA Agreement comes into force in relation to Liechtenstein does not include a national of the State of Liechtenstein;

“EEA State” means a State which is a Contracting Party to the EEA Agreement but until the EEA Agreement comes into force in relation to Liechtenstein does not include the State of Liechtenstein;

“EEA Agreement” means the Agreement on the European Economic Area signed at Oporto on 2nd May 1992 as adjusted by the Protocol signed at Brussels on 17th March 1993.”.

12. — Regulations 15, 16 and 17 are hereby revoked.

13. — The following regulation shall be added at the end—

(7) 1992 c. 40.

(8) Section 467(4) of the Income and Corporation Taxes Act 1988 (c. 1) was amended by section 74(1) and (5) of the Finance Act 1991 (c. 31), paragraph 37 of Schedule 2 to the Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52) and S.I. 1992/808.

“Revocation of certification on or after 1st July 1994 and appeals against revocation

18.—(1) This regulation applies where—

- (a) before 1st July 1994 the Board have certified—
 - (i) a contract as an eligible contract, or
 - (ii) a form as a standard form of eligible contract, or
 - (iii) a variation from a form certified as a standard form of eligible contract as a standard variation;
- (b) on or after 1st July 1994 it comes to the notice of the Board that a document relevant to the certification of that contract, form or variation, or any information which is so relevant, has been withheld; and
- (c) pursuant to subsection (2) of section 56, the Board treat that certification as having ceased to have effect on a date before 1st July 1994.

(2) Where this regulation applies the Board shall give notice of the revocation of the certification to the person who submitted the contract, form or variation for certification.

(3) A person to whom notice under paragraph (2) has been given may appeal against the revocation by notice given to the Board within 30 days after the date of the notice.

(4) The appeal shall be to the Special Commissioners.

(5) The like provisions as are contained in Part V of the Taxes Management Act 1970⁽⁹⁾ shall apply to an appeal under paragraph (3) and the Special Commissioners shall on appeal to them confirm the notice unless they are satisfied that the notice ought to be quashed.”.

*L J H Beighton
C W Corlett*

9th June 1994

Two of the Commissioners of Inland Revenue

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EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Private Medical Insurance (Tax Relief) Regulations 1989 (“the principal Regulations”).

Regulation 1 provides for citation and commencement, and regulation 2 contains a definition.

Regulation 3 amends regulation 2 of the principal Regulations so that the reference to “the Treasury Regulations” is now to the Private Medical Insurance (Disentitlement to Tax Relief and Approved Benefits) Regulations 1994 (S.I. 1994/1518).

Regulation 4 amends regulation 3 of the principal Regulations. In addition to amendments of a drafting nature, the regulation provides for an additional case in which relief under section 54(3) of the Finance Act 1989 (“the 1989 Act”) may, subject to conditions, be given at source.

Regulation 5 amends regulation 4 of the principal Regulations, and makes new provision as regards the information to be supplied in the notice of entitlement to relief at source given by an individual, and amends the provisions relating to the certificate, declaration and undertaking to be contained in the notice.

Regulations 6 and 7 amend regulations 7 and 8 respectively of the principal Regulations so as to provide that the claimant shall provide statements giving information about contracts of private medical insurance at the time when an interim claim or an annual claim is made. Regulation 7 also makes an amendment to regulation 8 of the principal Regulations relating to the requirements to be included in an annual return.

Regulation 8 confines the operation of regulation 9 of the principal Regulations to 1993-94 and earlier years of assessment.

Regulation 9 inserts a new regulation 9A into the principal Regulations. The new regulation, which will apply in 1994-95 and later years of assessment, provides for a certificate to be given by certain insurers at the request of an individual who has obtained relief otherwise than by means of relief at source on payments of premium made by him in a year, and specifies the contents of such a certificate.

Regulation 10 amends the period specified in regulation 10(2) for which notices of entitlement kept by insurers are to be preserved.

Regulation 11 amends regulation 12 of the principal Regulations, which specifies the circumstances in which the Board may approve a person as a qualifying insurer under section 55 of the 1989 Act. The amendments take account of the changes to the law relating to friendly societies made by the Friendly Societies Act 1992, and to the law relating to the authorisation of insurers within the European Economic Area made by Council Directive 92/49/EEC of 18th June 1992 (OJNo. L 228, 11.8.92, p.1). The regulation also provides that trade unions and employers' associations may be approved as qualifying insurers.

Regulation 12 revokes regulations 15 to 17 of the principal Regulations. Those regulations had become obsolete as a result of amendments made to the 1989 Act by Schedule 10 to the Finance Act 1994.

Regulation 13 adds a new regulation 18 to the principal Regulations which applies where it is discovered, on or after 1st July 1994, that the certification of a contract given before that date should be revoked with effect before that date pursuant to section 56(2) of the 1989 Act. The regulation

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provides for the Commissioners of Inland Revenue to give notice of the revocation and for a right of appeal by the person to whom the notice is given.