
STATUTORY INSTRUMENTS

1995 No. 351

The Lloyd's Underwriters (Tax) Regulations 1995

Cessation of member's underwriting business

Cessation of individual member's underwriting business – terminal loss relief

14.—(1) This regulation applies where a member ceases to carry on his underwriting business, whether by reason of death or otherwise, and either—

- (a) his deposit at Lloyd's is paid over to him or his personal representatives or assigns on or after 1st January 1993, or
- (b) the last open year of account of any syndicate of which he is a member is closed after 31st December 1992.

(2) Notwithstanding section 179 or section 179A, or regulation 9 or 10 of these Regulations, the date on which the member's underwriting business is permanently discontinued for the purposes of section 388 of the Taxes Act (carry-back of terminal losses) shall be deemed to be the 5th April in the last year of assessment in which profits or losses of that business which arise directly from his membership of one or more syndicates, or from assets forming part of a premiums trust fund, fall to be included by virtue of the provisions of Chapter III.

(3) No claim may be made by a member under section 388 of the Taxes Act until—

- (a) he has ceased to be a member under the rules or practice of Lloyd's or, if earlier,
- (b) he has given (and not withdrawn) notice of resignation of membership under the rules or practice of Lloyd's.

(4) A member may not make more than one claim under section 388 of the Taxes Act in respect of the same underwriting business.

(5) For the purposes of paragraph (1)(b) above, the last open year of account of a syndicate of which a person is a member shall be regarded as having closed either—

- (a) when the member is treated under the rules or practice of Lloyd's as having been discharged of all his liabilities in relation to that syndicate, whether by the syndicate closing its accounts or by the member or his personal representatives or assigns entering into a quota share contract; or
- (b) in a case where the member enters, or his personal representatives or assigns enter, into a quota share contract before the end of the closing year of the syndicate, at the end of the underwriting year in which the contract is made.

(6) For the purposes only of determining the last year of assessment under paragraph (2) above in any case where the member enters into a quota share contract in relation to a syndicate before the end of the closing year of the syndicate, any loss declared by that syndicate following the making of the contract shall be treated as if it were a declared profit.