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STATUTORY INSTRUMENTS

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**1997 No. 2388**

**INCOME TAX**

**The Personal Pension Schemes  
(Establishment of Schemes) Order 1997**

<i>Made</i>	- - - -	<i>3rd October 1997</i>
<i>Laid before the House of Commons</i>	- - - -	<i>3rd October 1997</i>
<i>Coming into force</i>	- -	<i>24th October 1997</i>

The Treasury, in exercise of the powers conferred on them by section 632(4) of the Income and Corporation Taxes Act 1988(1), hereby make the following Order:

**Citation and commencement**

1. This Order may be cited as the Personal Pension Schemes (Establishment of Schemes) Order 1997 and shall come into force on 24th October 1997.

**Interpretation**

2. In this Order “section 632” means section 632 of the Income and Corporation Taxes Act 1988(2).

**Amendments to section 632**

3. In subsection (1) of section 632—

(a) after paragraph (a) there shall be inserted—

“(aa) an EC company which—

(i) lawfully carries on long term business in the United Kingdom, or

(ii) lawfully provides long term insurance in the United Kingdom;”;

(b) after paragraph (d) there shall be added—

“(e) an institution which—

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(1) 1988 c. 1.

(2) Section 632 was amended by section 54(2)(a)(iii) of the Finance Act 1988 (c. 39) and by S.I.1988/993.

- (i) is a European institution within the meaning of regulation 3(1) of the Banking Coordination (Second Council Directive) Regulations 1992(3), and
- (ii) in conformity with the conditions and requirements of those Regulations, carries on in the United Kingdom, through a branch established in the United Kingdom for that purpose, or by the provision of services, any activity falling within item 1, 7 or 11 of the list of activities contained in Schedule 1 to those Regulations.”

4. After subsection (2) of section 632 there shall be inserted—

“(2ZA) For the purposes of subsection (1)(aa) above an EC company—

- (a) lawfully carries on long term business in the United Kingdom if it does so through a branch in respect of which such of the requirements of Part I of Schedule 2F to the Insurance Companies Act 1982(4) as are applicable have been complied with;
- (b) lawfully provides long term insurance in the United Kingdom if such of those requirements as are applicable have been complied with in respect of the insurance.”

5. After subsection (2A) of section 632 there shall be inserted—

“(2B) For the purposes of this section—

- (a) references to an EC company shall be construed in accordance with section 2(6) of the Insurance Companies Act 1982(5);
- (b) references to long term business shall be construed in accordance with section 1(1) of that Act;
- (c) references to the provision of long term insurance in the United Kingdom shall be construed in accordance with section 96A(3A) of that Act(6).”

*Graham Allen*

*Jim Dowd*

Two of the Lords Commissioners of Her Majesty’s Treasury

3rd October 1997

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(3) S.I. 1992/3218.

(4) 1982 c. 50. Schedule 2F was inserted by regulation 45 of, and Schedule 6 to, S.I. 1994/1696.

(5) Section 2(6) was added by regulation 4(2) of S.I. 1994/1696.

(6) Section 96A was inserted by regulation 2(1) of S.I. 1990/1333, and subsection (3A) was inserted by regulation 51 of S.I. 1994/1696.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

Subsection (1) of section 632 of the Income and Corporation Taxes Act 1988 provides that the Board of Inland Revenue may only approve personal pension schemes that are established by persons listed in the subsection.

This Order adds two categories to the list of persons in the subsection. The first category is that of EC insurance companies (within the meaning given by section 2(6) of the Insurance Companies Act 1982) that lawfully carry on long term business, or lawfully provide long term insurance, in the United Kingdom. The second category is that of European institutions (within the meaning of the Banking Coordination (Second Council Directive) Regulations 1992) that carry on deposit-taking and certain other investment activities in the United Kingdom in conformity with those Regulations.