
STATUTORY INSTRUMENTS

2003 No. 2642

INCOME TAX

The Insurance Companies (Taxation of Reinsurance Business) (Amendment No. 3) Regulations 2003

Made - - - - - 13th October 2003

Laid before the House of Commons 13th October 2003

Coming into force in accordance with regulation 1

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by section 442A(2) to (6) of the Income and Corporation Taxes Act 1988(a) and paragraph 58 of Schedule 8 to the Finance Act 1995(b), make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Insurance Companies (Taxation of Reinsurance Business) (Amendment No. 3) Regulations 2003 and shall come into force on 28th October 2003 immediately after the Insurance Companies (Taxation of Reinsurance Business) (Amendment No. 2) Regulations 2003(c).

(2) These Regulations have effect in relation to periods of account beginning on or after 1st January 2001.

Amendment to regulation 7 of the Insurance Companies (Taxation of Reinsurance Business) Regulations 1995

2.—(1) Regulation 7 of the Insurance Companies (Taxation of Reinsurance Business) Regulations 1995(d) is amended as follows.

(2) In paragraph (7A) for the formula in sub-paragraph (c) substitute—

$$“1 + \left\{ 0.5 \times \frac{X1}{X2} \right\} ”.$$

*Ann Chant
Helen Ghosh*

13th October 2003

Two of the Commissioners of Inland Revenue

(a) 1988 c. 1. Section 442A was amended by paragraph 23 of Schedule 33, and Part 3(12) of Schedule 43, to the Finance Act 2003 (c. 14).

(b) 1995 c. 4.

(c) S.I. 2003/2573.

(d) S.I. 1995/1730. Regulation 7 was relevantly amended by regulation 7 of S.I. 2003/2573.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Insurance Companies (Taxation of Reinsurance Business) Regulations 1995 (S.I. 1995/1730) (“the principal Regulations”). The principal Regulations make provision for the purposes of section 442A of the Income and Corporation Taxes Act 1988 (c. 1) in relation to the calculation of the investment return on an insurance policy or annuity contract which is the subject of a reinsurance arrangement.

Regulation 1 provides for citation, commencement and effect. Authority for the retrospective effect of the amendments is given by paragraph 58 of Schedule 8 to the Finance Act 1995 (c. 4).

Regulation 2 amends regulation 7 (prescribed percentage rates of return for the purposes of regulations 4 and 5) by substituting the formula in paragraph (7A)(c) of that regulation. The amendment is made in consequence of an error in the Insurance Companies (Taxation of Reinsurance Business) (Amendment No. 2) Regulations 2003 (S.I. 2003/2573).

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