

## SCHEDULE

### EXPENSES OF COMPANIES WITH INVESTMENT BUSINESS AND INSURANCE COMPANIES

#### *Amendments to secondary legislation*

#### **The Income Tax (Manufactured Overseas Dividends) Regulations 1993**

**73.**—(1) The Income Tax (Manufactured Overseas Dividends) Regulations 1993(1) are amended as follows.

(2) Regulation 4(1)(c) is revoked.

(3) In regulation 5(1A) after “person” insert “who is not within the charge to corporation tax and”.

#### **The Insurance Companies (Taxation of Reinsurance Business) Regulations 1995**

**74.**—(1) The Insurance Companies (Taxation of Reinsurance Business) Regulations 1995(2) are amended as follows.

(2) In regulation 3(1)(3), in paragraph (b) of the definition of C for the words from “deducted” to the end of the definition, substitute “charged to tax under section 85 of the Finance Act 1989”.

(3) In regulation 6(3)(e)(ii)(4) for “deducted” to the end of the sub-paragraph, substitute “charged to tax under section 85 of the Finance Act 1989.”.

#### **Friendly Societies (Modification of the Corporation Tax Acts) Regulations 1997**

**75.** After regulation 5 of the Friendly Societies (Modification of the Corporation Tax Acts) Regulations 1997(5) insert—

##### **“Modifications of section 76 of the Taxes Act**

**5A.**—(1) Paragraphs (2) to (6) prescribe modifications to section 76 of the Taxes Act so far as it applies to the life or endowment business carried on by friendly societies.

(2) In subsection (2), after “referable to” insert “taxable”;

(3) In subsection (3), for “line 12, 22 or 25 of Form 40 (the revenue account)” substitute “line 12 or 25 of Form 40 (the revenue account) or column 1 of line 49 of Form 41 (long-term insurance business: analysis of premiums and expenses)”;

(4) In paragraph (a) of Step 1 in subsection (7), after “attributable to” insert “taxable”;

(5) In subsection (8)—

(a) after “attributable to” insert “taxable”;

(b) in paragraph (b), for “the Prudential Sourcebook (Insurers)” substitute “the Prudential Sourcebook (Friendly Societies)”;

(6) In subsection (11), for “basic life assurance” substitute “taxable basic life assurance” wherever the words occur.

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(1) S.I.1993/2004. There are amendments to regulation 4 which are not relevant for present purposes. Regulation 5 was amended by regulation 6 of S.I. 2003/2582.

(2) S.I. 1995/1730.

(3) Regulation 3 was amended by S.I. 1996/1621.

(4) There are amendments to regulation 6 which are not relevant for present purposes.

(5) S.I. 1997/473.

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

(7) The modifications in paragraphs (3) and (5)(b) only apply to a friendly society to which Chapter 5 of the Prudential Sourcebook (Friendly Societies) applies.”.

#### **The Open-ended Investment Companies (Tax) Regulations 1997**

**76.**—(1) The Open-ended Investment Companies Regulations 1997<sup>(6)</sup> are amended as follows.

(2) Regulation 10(3) is revoked.

(3) In regulation 25(4), for sub-paragraph (a) substitute—

“(a) section 75(9) (management expenses carried forward),”.

#### **The European Single Currency (Taxes) Regulations 1998**

**77.**—(1) The European Single Currency (Taxes) Regulations 1998<sup>(7)</sup> are amended as follows.

(2) In regulation 6—

(a) in paragraph (1), for the words from “shall be treated” to the end substitute “shall be treated in accordance with paragraph (1A)”;

(b) after paragraph (1) insert—

“(1A) If the company—

(a) is a company with investment business, the costs shall be treated as expenses of management deductible under section 75 to the extent they otherwise would not be, or

(b) is one in relation to which section 76 applies, the costs shall be treated for the purposes of that section as expenses payable which fall to be brought into account at Step 1 in subsection (7) of that section to the extent that they otherwise would not be.”.

(c) paragraphs (2) and (3) are revoked; and

(d) in paragraph (4), for “has the meaning” substitute—

“and “company with investment business” have the meanings”.

#### **The Insurance Companies (Capital Redemption Business)(Modification of the Corporation Tax Acts) Regulations 1999**

**78.** Regulation 4 of the Insurance Companies (Capital Redemption Business) (Modification of the Corporation Tax Acts) Regulations 1999<sup>(8)</sup> is revoked.

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<sup>(6)</sup> S.I. 1997/1154. There are amendments which are not relevant for present purposes.

<sup>(7)</sup> S.I. 1998/3177.

<sup>(8)</sup> S.I. 1999/498.