

2004 No. 3275

INCOME TAX

The Overseas Life Assurance Fund (Amendment) Order 2004

Made - - - - 9th December 2004

Laid before the House of Commons 10th December 2004

Coming into force - - 31st December 2004

The Treasury, in exercise of the powers conferred upon them by paragraph 1(2) of Schedule 19AA to the Income and Corporation Taxes Act 1988(a), make the following Order:

Citation, commencement and effect

1. This Order may be cited as the Overseas Life Assurance Fund (Amendment) Order 2004, shall come into force on 31st December 2004 and shall have effect in relation to designations of assets for the purposes of paragraph 3 of Schedule 19AA to the Income and Corporation Taxes Act 1988 on or after that date.

Amendment of Schedule 19AA to the Income and Corporation Taxes Act 1988

2. Schedule 19AA to the Income and Corporation Taxes Act 1988 (overseas life assurance fund) is amended as follows.

Amendment of paragraph 5

3.—(1) Amend paragraph 5 (order in which assets to be designated) as follows.

(2) After sub-paragraph (5) insert—

“(5A) For the purposes of sub-paragraph (5)(a) above, in determining whether assets are linked solely to overseas life assurance business, assets linked to policies or contracts which, by virtue of regulation 18 or 19 of the Insurance Companies (Overseas Life Assurance Business) (Compliance) Regulations 1995(b) are to be treated as referring to basic life assurance and general annuity business, shall be treated as linked solely to overseas life assurance business.”.

(3) In sub-paragraph (6A)(c) at the end add “falling within sub-paragraph (5)(a) above”.

*Derek Twigg
Jim Murphy*

9th December 2004

Two of the Lords Commissioners of Her Majesty's Treasury

(a) 1988 c. 1. This Schedule was inserted by paragraph 10 of Schedule 7 to the Finance Act 1990. Paragraph 1 was amended by paragraphs 33 and 55 of Schedule 8 to the Finance Act 1995 (c. 4).
(b) S.I. 1995/3237. Regulations 18 and 19 were amended by S.I. 1999/2839 and S.I. 2000/2104.
(c) Sub-paragraph (6A) was inserted by article 4 of S.I. 2000/2188.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends Schedule 19AA to the Income and Corporation Taxes Act 1988 (c. 1) (“the Schedule”) for the purpose of permitting certain assets which are linked assets for the purposes of the overseas life assurance fund of an insurance company to remain treated as solely linked to the overseas life assurance business of the company, notwithstanding that they do not satisfy all of the tests in the Insurance Companies (Overseas Life Assurance Business) (Compliance) Regulations 1995 (“the 1995 Regulations”).

Article 1 provides for the citation, commencement and effect of the Order.

Article 2 introduces the amendments.

Article 3 amends paragraph 5 of the Schedule to provide that, in determining the assets linked solely to overseas life assurance business, the effects of regulations 18 and 19 of the 1995 Regulations are disregarded. By virtue of the amendment paragraph 5 of the Schedule deems assets which would otherwise be deemed (by virtue of those regulations) to be referable to the insurer’s basic life assurance and general annuity business to be deemed to be referable to insurer’s the overseas life assurance business instead.

This Order does not impose new costs on business.

£3.00

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