

**EXPLANATORY MEMORANDUM TO
THE CORPORATION TAX (INSTALMENT PAYMENTS) (AMENDMENT)
REGULATIONS 2008**

2008 No. 2649

1. This explanatory memorandum has been prepared by HM Revenue and Customs on behalf of HM Treasury and is laid before the House of Commons by Command of Her Majesty.

2. Description

This instrument amends the Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175: the “1998 Regulations”) to remove two cross-references which are no longer required.

3. Matters of special interest to the Select Committee on Statutory Instruments

None

4. Legislative Background

4.1 The 1998 Regulations require large companies to pay corporation tax by quarterly instalments. For the purpose of determining whether an insurance company is a large company, regulation 3(4) and 3(5)(b) contain cross-references to section 434(3B) of the Income and Corporation Taxes Act 1988.

4.2 Section 434(3B) was repealed by paragraph 6 of Schedule 6 to the Finance (No 2) Act 1997 for accounting periods beginning on or after 6 April 1999.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 This instrument is made to keep secondary legislation relating to insurance companies up to date.

7.2 A draft of these Regulations has been circulated to appropriate bodies and persons within the insurance industry and their advisers.

7.3 Guidance on the changes will be incorporated in HMRC’s Life Assurance Manual.

8. Impact

8.1 A full and final Impact Assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

8.2 There is no impact on the public sector.

9. Contact

Carol Johnson at HM Revenue and Customs Tel: 020 7147 0517 or e-mail: carol.johnson@hmrc.gsi.gov.uk can answer any queries regarding the instrument.