

**2008 No. 2670**

**CORPORATION TAX**

**The Insurance Companies (Taxation of Reinsurance Business)  
(Amendment) (No. 2) Regulations 2008**

<i>Made</i>	- - - -	<i>6th October 2008</i>
<i>Laid before the House of Commons</i>		<i>8th October 2008</i>
<i>Coming into force</i>	- -	<i>29th October 2008</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 442A(2) to (6) of the Income and Corporation Taxes Act 1988(a).

**Citation and commencement**

1. These Regulations may be cited as the Insurance Companies (Taxation of Reinsurance Business) (Amendment) (No. 2) Regulations 2008 and shall come into force on 29th October 2008.

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

2. The Insurance Companies (Taxation of Reinsurance Business) Regulations 1995(b) are amended as follows.

**Amendment of regulation 2 (interpretation)**

3. In regulation 2 (interpretation) omit the definition of "inspector"(c).

**Amendment of regulation 6 (calculation of investment return in final accounting period)**

4. In paragraph (4)(b)(d) of regulation 6 (calculation of investment return in final accounting period), for "the inspector determines to be" substitute "is".

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(a) 1988 (c. 1). Section 442A was inserted by paragraph 34 of Schedule 8 to the Finance Act 1995 (c. 4) and amended by paragraph 23 of Schedule 23 to the Finance Act 2003 (c. 14). The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(2) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50 of that Act provides that in so far as it is appropriate in consequence of section 5 a reference in an enactment, however expressed, to the Commissioners of Inland Revenue is to be read as a reference to the Commissioners for Her Majesty's Revenue and Customs.

(b) S.I. 1995/1730; relevant amending instruments are S.I. 2003/2573 and 2008/1944.

(c) The definition of "inspector" was substituted by regulation 3 of S.I. 2008/1994.

(d) Regulation 6(4) was inserted by regulation 6 of S.I. 2003/2573.

**Amendment of regulation 7 (prescribed percentage rates of return for the purposes of regulations 4 and 5)**

5.—(1) Regulation 7 (prescribed percentage rates of return for the purposes of regulations 4 and 5) is amended as follows.

(2) In paragraph (10) for “the inspector determines to be” substitute “is”.

(3) Omit paragraphs (13) and (14).

*Dave Hartnett*

*Mike Eland*

6th October 2008

Two of the Commissioners for Her Majesty’s Revenue and Customs

**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”).

Regulation 1 provides for citation and commencement.

Regulation 2 introduces the amendments to the principal Regulations.

Regulation 3 omits the definition of “inspector” from regulation 2 of the principal Regulations which is not required in consequence of the amendment made by regulations 4 and 5.

Regulations 4 and 5 amend regulations 6 and 7 of the principal Regulations. The effect of the amendment is to remove from an inspector the discretion to determine the just and reasonable amount as prescribed by regulation 6 and the just and reasonable rate of return, as prescribed by regulation 7, to be used for the purposes of determining the investment return of an insurance company where a reinsurance agreement is in force. Paragraphs (13) and (14) of regulation 5 have been omitted as a consequential amendment.

A full impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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