

2014 No. 2856

INSURANCE PREMIUM TAX

**The Insurance Premium Tax (Non-taxable Insurance Contracts)
Order 2014**

Approved by the House of Commons

Made - - - - 27th October 2014

Laid before the House of Commons 27th October 2014

Coming into force - - 1st December 2014

The Treasury make the following Order in exercise of the powers conferred by section 71 of the Finance Act 1994(a).

Citation and commencement

1. This Order may be cited as the Insurance Premium Tax (Non-taxable Insurance Contracts) Order 2014 and comes into force on 1st December 2014.

Amendments to Schedule 7A to the Finance Act 1994

2. In Part 1 (descriptions of contract) of Schedule 7A (insurance premium tax: contracts that are not taxable) to the Finance Act 1994(b), after paragraph 7 insert—

“Contracts relating to spacecraft

7A—(1) A contract falls within this paragraph if it relates only to the operation of a spacecraft and is a contract of general insurance of a relevant class.

(2) For the purposes of this paragraph, a contract of general insurance is of a relevant class if it insures against risks arising from or in relation to—

- (a) accidents,
- (b) goods in transit,
- (c) fire or natural forces,
- (d) damage to, or loss or malfunction of, property, or
- (e) general liability to third parties,

(and no other risks).

(3) For the purposes of this paragraph—

(a) 1994 c. 9.

(b) Schedule 7A was inserted by S.I. 1994/1698; relevant amendments were made by S.I. 2001/3649.

- (a) the “operation of a spacecraft” means the launch, flight, orbit or re-entry of a spacecraft, and
- (b) “spacecraft” includes all component parts of its launch vehicle.”.

3. In Part 2 (interpretation) of that Schedule in paragraph 16A after “7,” insert “7A,”.

Harriet Baldwin
David Evennett

27th October 2014

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

Insurance Premium Tax ('IPT') is charged on premiums receivable under taxable insurance contracts. Specified contracts of insurance are exempted from IPT. Article 2 of this order provides for contracts that insure certain risks in respect of spacecraft to be exempt from IPT.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.

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STATUTORY INSTRUMENTS

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