

2015 No. XXX

Corporation Tax

The Insurance Companies (Amendment to Section 129 of, and Schedule 17 to, the Finance Act 2012) Regulations 2015

Made - - - - - ***
Laid before the House of Commons ***
Coming into force - - - - - ***

The Treasury make the following regulations in exercise of the powers conferred by section 129(9) of, and paragraph 37 of Schedule 17 to, the Finance Act 2012(a).

Citation and commencement

1. These regulations may be cited as the Insurance Companies (Amendment to Section 129 of, and Schedule 17 to, the Finance Act 2012) Regulations 2015 and come into force on xx yyyy 2015 and have effect in respect of transfers of business which occur on or after that date.

Amendment of section 129(8)

2. (1) Section 129(8) of the Finance Act 2012 is amended as follows.
- (2) In paragraph (a), before ‘liabilities’ insert ‘relevant’.
 - (3) In paragraph (b), before ‘assets’ insert ‘relevant’.
 - (4) In the full out words after paragraph (b), before ‘ ‘ the relevant time’ insert ‘ relevant liabilities’ and ‘relevant assets’ means those liabilities and assets which give rise to amounts that are part of the BLAGAB trade profit or loss calculation under Chapter 6 of Part 2, and’.

Amendment of paragraph 13 of Schedule 17

3. (1) Paragraph 13 of Schedule 17 to the Finance Act 2012 is amended as follows.
- (2) In subparagraph (4), after ‘expenses’ insert ‘of the relevant business of each fund which is transferred’.
 - (3) For subparagraph (5) substitute -
 - ‘(5) In subparagraph (4), ‘the appropriate proportion’ means the proportion (determined by an acceptable commercial method) which the value of the liabilities relating to the relevant business of the fund which is transferred bears to the total value of the liabilities of the fund.

(5A) For the purposes of subparagraphs (4) and (5), ‘relevant business’ means the basic life assurance and general annuity business or the non-BLAGAB long-term business of the fund’.

Insertion of paragraph 35A of Schedule 17

4. After paragraph 35 of Schedule 17 to the Finance Act 2012 insert within Part 2 of that Schedule -

‘35A.

(1) This paragraph applies to assets which by reason of paragraph 35 are regarded for the purposes of this Part as assets forming part of the long-term business fixed capital of a company (‘C’).

(2) Where -

(a) C transfers all of its basic life assurance and general annuity business and non-BLAGAB business to another company (‘D’), and

(b) the transfer is a relevant intra-group transfer

for the purposes of this Part the assets form part of the long-term business fixed capital of D.

(3) A relevant intra-group transfer has the same meaning in this paragraph as it has in paragraph 13.’

Date

Two of the Lords Commissioners of Her Majesty’s Treasury

Name

Name

Explanatory note

(This note is not part of the Regulations)