
1 Insurance premium tax: identifying where the risk is situated

- (1) In Schedule 7A to FA 1994 (insurance premium tax: contracts that are not taxable), paragraph 8 (contracts relating to risks outside the United Kingdom) is amended as follows.
- (2) In sub-paragraph (2) for the words from “regulations made under section 424(3) of the Financial Services and Markets Act 2000” to the end substitute “the Table in sub-paragraph (3)”.
- (3) After that sub-paragraph insert –
 - “(3) This is the Table referred to in sub-paragraph (2) –

<i>Where –</i>	<i>The risk is situated in –</i>
the contract relates to buildings or to buildings and their contents (to the extent that the contents are covered by the same contract of insurance)	the country or territory in which the building is situated
the contract relates to vehicles of any type	the country or territory in which the vehicle is registered
the contract covers travel or holiday risks and has a duration of four months or less	the country or territory in which the policyholder entered into the contract
the contract does not fall within any of the previous entries and the policyholder is an individual	the country or territory in which the policyholder is habitually resident on the date on which the contract is entered into
the contract does not fall within any of the previous entries	the country or territory in which the establishment of the policyholder to which the contract relates is situated on the date on which the contract is entered into.

- (4) For the purposes of the last entry in the Table, “establishment”, in relation to a policyholder (“P”), means –
 - (a) P’s head office or any of P’s agencies or branches, or
 - (b) any permanent presence of P (which need not take the form of a branch or agency and, for example, may consist of an office managed by P’s staff or by a person who is independent of P but who has permanent authority to act for P as if the person were an agency).”
- (4) The amendments made by this section have effect in relation to contracts of insurance entered into on or after the day on which this Act is passed.