



# Finance Act 1994

## 1994 CHAPTER 9

### PART IV

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER V

#### LLOYD'S UNDERWRITERS: CORPORATIONS ETC.

##### Modifications etc. (not altering text)

- C1** Pt. IV Chapter V (ss. 219-230) modified (1.12.1997) by S.I. 1997/2681, reg. 3(2)(a)  
**C2** Pt. IV Chapter V (ss. 219-230) applied (1.5.1995) by 1995 c. 4, s. 129(4)(6)  
Pt. IV Chapter V (ss. 219-230) applied (1.5.1995) by 1995 c. 4, s. 127(16)(a)(19)

##### *Main provisions*

#### **219** Taxation of profits.

- (1) Corporation tax for any accounting period on the profits arising from a corporate member's underwriting business shall be computed on the profits of that accounting period.
- (2) As respects the profits arising to a corporate member for any accounting period directly from its membership of one or more syndicates, or from assets forming part of a [<sup>F1</sup>premium] trust fund—
  - (a) the aggregate of those profits shall be computed for tax purposes under [<sup>F2</sup>Part 3 of the Corporation Tax Act 2009] ; and
  - (b) accordingly, no part of those profits shall be computed for those purposes [<sup>F3</sup>otherwise than under Part 3 of the Corporation Tax Act 2009] .
- (3) <sup>F4</sup>... The profits arising to a corporate member for any accounting period—

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- (a) from assets forming part of an ancillary trust fund; or  
 (b) from assets employed by it in, or in connection with, its underwriting business,  
 shall be computed for tax purposes under [<sup>F5</sup>Part 3 of the Corporation Tax Act 2009] if,  
 and to the extent that, they do not fall to be computed for those purposes [<sup>F6</sup>otherwise  
 than under Part 3 of that Act] .

- <sup>F7</sup>(4) .....  
<sup>F8</sup>(4A) .....  
<sup>F9</sup>(4B) .....  
<sup>F10</sup>(4C) .....  
<sup>F11</sup>(5) .....

#### Textual Amendments

- F1** Words in s. 219(2)(4)(4B) substituted (1.12.2001) by [S.I. 2001/3629, art. 87\(a\)](#)  
**F2** Words in s. 219(2)(a) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 392\(2\)\(a\)](#) (with [Sch. 2 Pts. 1, 2](#))  
**F3** Words in s. 219(2)(b) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 392\(2\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))  
**F4** Words in s. 219(3) omitted (21.7.2009) (with effect in accordance with [Sch. 14 para. 31](#) of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 14 para. 18\(a\)](#)  
**F5** Words in s. 219(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 392\(3\)\(a\)](#) (with [Sch. 2 Pts. 1, 2](#))  
**F6** Words in s. 219(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 392\(3\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))  
**F7** S. 219(4) omitted (21.7.2009) (with effect in accordance with [Sch. 14 para. 31](#) of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 14 para. 18\(b\)](#)  
**F8** S. 219(4A) omitted (21.7.2009) (with effect in accordance with [Sch. 14 para. 31](#) of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 14 para. 18\(b\)](#)  
**F9** S. 219(4B) omitted (with effect in accordance with [Sch. 1 para. 73](#) of the amending Act) by virtue of [Finance Act 2016 \(c. 24\), Sch. 1 para. 56](#)  
**F10** S. 219(4C) omitted (21.7.2009) (with effect in accordance with [Sch. 14 para. 31](#) of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 14 para. 18\(b\)](#)  
**F11** S. 219(5) repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 3](#) (with [Sch. 2](#))

#### Modifications etc. (not altering text)

- C3** S. 219 applied by 2010 c. 8, s. 454(a) (as inserted (with effect in accordance with [Sch. 5 para. 25\(1\)-\(3\)](#) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 5 para. 1](#) (with [Sch. 5 paras. 27, 32-34](#)))

## 220 Accounting period in which certain profits or losses arise.

- (1) For the purposes of section 219 above and all other purposes of the Corporation Tax Acts, the profits or losses arising to a corporate member in any accounting period directly from its membership of one or more syndicates, or from assets forming part of a [<sup>F12</sup>premium] trust fund, shall be taken to be—
- (a) if two underwriting years each fall partly within that period, the aggregate of the apportioned parts of those profits or losses in those years; and

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- (b) if a single underwriting year falls wholly or partly within that period, those profits or losses or (as the case may be) the apportioned part of those profits or losses in that year.
- (2) Subject to the provisions of this Chapter, for the purposes of subsection (1) above and all other purposes of the Corporation Tax Acts—
- (a) the profits or losses arising to a corporate member in any underwriting year directly from its membership of one or more syndicates shall be taken to be those of any previous year or years which are declared in that year; and
  - <sup>F13</sup>(b) the profits or losses arising to a corporate member from assets forming part of a premium trust fund which shall be taken to be profits or losses of any underwriting year are—
    - (i) those allocated under the rules or practice of Lloyd’s to any previous year or years the profits or losses of which are declared in that year, and
    - (ii) those arising in that year and not so allocated to any previous year or years.]
- (3) In this section “apportioned part”, in relation to the profits or losses of an underwriting year, means a part apportioned under <sup>F14</sup>section 52 of the Corporation Tax Act 2009].

**Textual Amendments**

- F12** Words in s. 220(1)(2)(b) substituted (1.12.2001) by [S.I. 2001/3629, art. 87\(b\)](#)
- F13** S. 220(2)(b) substituted (1.7.2007 with effect in accordance with reg. 1(2) of the amending S.I.) by [The Finance Act 1994, Section 220 \(Amendment\) Regulations 2007 \(S.I. 2007/1616\), regs. 1\(1\), 2](#)
- F14** Words in s. 220(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 393](#) (with [Sch. 2 Pts. 1, 2](#))

<sup>F15</sup>**221 Assessment and collection of tax.**

.....

**Textual Amendments**

- F15** [S. 221](#) repealed (20.7.2005 for specified purposes, 1.1.2006 in so far as not already in force) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 45\(4\)\(8\)\(9\), Sch. 11 Pt. 2\(11\); S.I. 2005/3337, art. 2](#)

*Trust funds*

**222** <sup>F16</sup>**Premium] trust funds.**

- (1) For the purposes of the Corporation Tax Acts—
- (a) a corporate member shall be treated as absolutely entitled as against the trustees to the assets forming part of a <sup>F16</sup>premium] trust fund belonging to it; and
  - (b) where a deposit required by a regulatory authority in a country or territory outside the United Kingdom is paid out of such a fund, the money so paid shall be treated as still forming part of that fund.

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- (2) Where an asset forms part of a corporate member’s [<sup>F16</sup>premium] trust fund at the beginning of any underwriting year, for the purposes of the Corporation Tax Acts—
  - (a) the trustees of the fund shall be treated as acquiring it on that day, and
  - (b) they shall be treated as paying in respect of the acquisition an amount equal to the value of the asset at the time of the acquisition.
- (3) Where an asset forms part of a corporate member’s [<sup>F16</sup>premium] trust fund at the end of any underwriting year, for the purposes of the Corporation Tax Acts—
  - (a) the trustees of the fund shall be treated as disposing of it on that day, and
  - (b) they shall be treated as obtaining in respect of the disposal an amount equal to the value of the asset at the time of the disposal.

<sup>F17</sup>(4) .....

<sup>F17</sup>(5) .....

<sup>F18</sup>(6) .....

<sup>F18</sup>(7) .....

**Textual Amendments**

**F16** Words in s. 222(1)(a)(2)(3) and sidenote substituted (1.12.2001) by [S.I. 2001/3629, art. 87\(c\)](#)

**F17** [S. 222\(4\)\(5\)](#) repealed (19.3.1997 with effect as mentioned in Sch. 10 para. 7(1), Sch. 18 Pt. VI(10), Note 1 of the repealing Act) by [1997 c. 16, s. 113, Sch. 18 Pt. VI\(10\)](#); [S.I. 1997/991, art. 2](#)

**F18** [S. 222\(06\)\(07\)](#) repealed (29.4.1996 with effect as mentioned in s. 154(9) of the repealing Act) by [1996 c. 8, s. 205, Sch. 41 Pt. V\(18\)](#), Note

**223 Ancillary trust funds.**

A corporate member shall be treated for the purposes of the Corporation Tax Acts as absolutely entitled as against the trustees to the assets forming part of an ancillary trust fund belonging to it.

**Modifications etc. (not altering text)**

**C4** [S. 223](#) applied (with modifications) (1.12.1997) by [S.I. 1997/2681, reg. 5\(1\)](#)

*Other special cases*

<sup>F19</sup>**224** .....

**Textual Amendments**

**F19** [S. 224](#) repealed (28.7.2000 with effect as mentioned in s. 107(12)(c) of the repealing Act) by [2000 c. 17, ss. 107\(11\), 156, Sch. 40 Pt. II\(9\)](#)

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## 225 Stop-loss and quota share insurance.

- (1) In computing for the purposes of corporation tax the profits of a corporate member’s underwriting business, each of the following shall be deductible as an expense, namely—
- (a) any premium payable by it under a stop-loss insurance, and any repayment of insurance money paid to it under such an insurance; and
  - [<sup>F20</sup>(b) where an amount is payable by it under a quota share contract—
    - (i) so much of that amount as exceeds the amount of transferred losses that are declared on or before the date the contract takes effect (“the declared amount”), or
    - (ii) if the contract does not take effect, the amount so payable under the contract.]
- (2) Subject to subsection (3) below, the following provisions apply where any insurance money is payable to a corporate member under a stop-loss insurance in respect of a loss in its underwriting business—
- (a) if the underwriting year in which the loss is declared falls within two or more accounting periods, the apportioned part of the insurance money shall be treated as a trading receipt in computing the profits arising from the business for each of those periods; and
  - (b) if the underwriting year in which the loss is declared falls within a single accounting period, the insurance money shall be treated as a trading receipt in computing the profits arising from the business for that period.
- (3) Where, as respects the payment of any such insurance money as is mentioned in subsection (2) above—
- (a) the inspector is not notified of the payment at least 30 days before the time after which any assessment or further assessment of profits for any of the accounting periods or (as the case may be) the accounting period is precluded by section 34 of the Management Act (ordinary time limit), and
  - (b) the inspector is not entitled, after that time, to make any such assessment or further assessment by virtue of section 36 ( [<sup>F21</sup>loss of tax brought about carelessly or deliberately] ) of that Act,
- that subsection shall have effect in relation to the apportioned part of that insurance money or (as the case may be) that insurance money as if, instead of that accounting period, it referred to the accounting period in which the payment is made.
- [<sup>F22</sup>(3A) Where the amount payable by a corporate member under a quota share contract is less than the declared amount—
- (a) if the underwriting year in which the contract takes effect falls within a single accounting period, the difference between the two amounts (“the surplus”) shall be treated as a trading receipt in computing the profits arising from the member’s underwriting business for that period, and
  - (b) if that underwriting year falls within two or more accounting periods, the apportioned part of the surplus shall be treated as a trading receipt in computing the profits arising from the member’s underwriting business for each of those periods.
- (3B) Where a corporate member has entered a quota share contract, any amount paid by it to cover a cash call in respect of transferred losses that are not declared at the time the contract takes effect shall be treated, for the purposes of subsections (1)(b)(i) and (3A) above, as an amount payable under the contract at that time.]

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[<sup>F23</sup>(3C) Subsection (3D) applies to any premium which is payable by a corporate member under a stop-loss insurance taken out in respect of its underwriting business and in relation to which section 220(2)(a) does not apply.

- (3D) The premium is to be treated for the purposes of the Corporation Tax Acts—
- (a) as an amount that arises to the member directly from its membership of the syndicate or syndicates in relation to the activities of which the stop-loss insurance was taken out, and
  - (b) as if it were payable in the underwriting year in which the profits or losses arising to the member directly from its membership of the syndicate or syndicates concerned are declared.

(3E) If a premium is payable under a stop-loss insurance in respect of two or more underwriting years, the amount of the premium treated, as a result of subsection (3D) (b), as payable in each of those years is to be determined on a just and reasonable basis.

- (3F) If—
- (a) a corporate member enters into a quota share contract, and
  - (b) the main purpose, or one of the main purposes, of entering into it was to secure that amounts payable by the member under the contract were not dealt with on the basis set out in subsection (3G),

the contract is treated for the purposes of subsections (3C) to (3E) as if it were a stop-loss insurance (and, accordingly, the amounts payable under it are treated for those purposes as premiums).

(3G) Amounts are dealt with on the basis set out in this subsection if they are treated as payable in the underwriting year in which the profits or losses arising to a corporate member directly from its membership of one or more syndicates are declared.]

[<sup>F24</sup>(4) In this section—

“apportioned part”, in relation to any insurance money or other amount, means a part apportioned under [<sup>F25</sup>section 52 of the Corporation Tax Act 2009] ;

“cash call” means a request for funds which, in pursuance of a contract made in accordance with the rules and practices of Lloyd’s, is made to a corporate member by the agent of a syndicate of which it is a member;

“quota share contract” means any contract between a corporate member and another person which—

- (a) is made in accordance with the rules or practice of Lloyd’s; and
- (b) provides for that other person to take over any rights and liabilities of the member under any of the syndicates of which it is a member;

and where the taking over of a member’s rights and liabilities is conditional upon the occurrence of any event, the contract does not take effect until that event occurs; and

“transferred loss”, in relation to such a contract, means a loss for which that other person takes over liability under the contract (disregarding, in the case of a loss that has been declared at the time it is taken over, any part of it in respect of which the member has paid a cash call before that time).]

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### Textual Amendments

- F20** S. 225(1)(b) substituted (with effect as mentioned in s. 86(2) of the amending Act) by Finance Act 2002 (c. 23), s. 82(1), **Sch. 32 para. 7**
- F21** Words in s. 225(3)(b) substituted (1.4.2010) by Finance Act 2008 (c. 9), s. 118(2), **Sch. 39 para. 64**; S.I. 2009/403, art. 2(2) (with art. 10)
- F22** S. 225(3A)(3B) inserted (with effect as mentioned in s. 86(2) of the amending Act) by Finance Act 2002 (c. 23), s. 82(1), **Sch. 32 para. 8**
- F23** S. 225(3C)-(3G) inserted (17.7.2012) (with effect in accordance with s. 25(2)-(5) of the amending Act) by Finance Act 2012 (c. 14), s. 25(1)
- F24** S. 225(4) substituted (with effect as mentioned in s. 86(2) of the amending Act) by Finance Act 2002 (c. 23), s. 82(1), **Sch. 32 para. 9**
- F25** Words in s. 225(4) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 394** (with Sch. 2 Pts. 1, 2)

### Miscellaneous

#### 226 Provisions which are not to apply.

- (1) <sup>F26</sup> . . . . .
- (2) <sup>F27</sup> . . . . .

[<sup>F28</sup>(3) No relevant contract (within the meaning of [<sup>F29</sup>Part 7 of the Corporation Tax Act 2009]) forming part of a premium trust fund of a corporate member shall be a derivative contract.]

### Textual Amendments

- F26** S. 226(1) repealed (with effect as mentioned in s. 80(2) and Sch. 24 of the amending Act) by Finance Act 2002 (c. 23), ss. 80, 141, **Sch. 24 para. 7(2)**, **Sch. 40 Pt. 3(11)**
- F27** S. 226(2) repealed (with effect as mentioned in s. 79(3) and Sch. 23 of the amending Act) by Finance Act 2002 (c. 23), s. 141, **Sch. 40 Pt. 3(10)**
- F28** S. 226(3) substituted (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), s. 83, **Sch. 27 para. 16**
- F29** Words in s. 226(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 395** (with Sch. 2 Pts. 1, 2)

### Modifications etc. (not altering text)

- C5** S. 226(3) applied by 2010 c. 8, s. 454(b) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 5 para. 1** (with Sch. 5 paras. 27, 32-34))

#### 227 Cessation: final underwriting year.

- (1) This section applies where a corporate member ceases to carry on its underwriting business, whether by reason of being wound up or otherwise.
- (2) Subject to the provisions of any regulations made by the Board—
- (a) the member’s final underwriting year shall be that in which its deposit at Lloyd’s is paid over to it or its liquidator, and

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- (b) the member's underwriting business shall be treated as continuing until the end of that year.

**Modifications etc. (not altering text)**

**C6** S. 227 excluded (1.12.1997) by [S.I. 1997/2681](#), [reg. 4\(2\)](#)

**[<sup>F30</sup>227A Restriction of group relief**

- (1) Losses of the last active underwriting year of a corporate member are not eligible for surrender by the corporate member as group relief to another company unless the group-relief continuity condition is satisfied.
- (2) In this section “last active underwriting year”, in relation to a corporate member, means—
  - (a) if the corporate member writes insurance business in only one underwriting year, that underwriting year, and
  - (b) otherwise, the last underwriting year in which the corporate member writes insurance business.
- (3) Where in an underwriting year—
  - (a) the corporate member writes an amount of insurance business which is insignificant when compared with that written by it in the preceding underwriting year, or
  - (b) the only insurance business written by the corporate member consists of the acceptance of reinsurance to close premiums,
 the underwriting year is not to be regarded for the purposes of subsection (2)(b) above as an underwriting year in which the corporate member writes insurance business.
- (4) In subsection (3)(b) above “reinsurance to close premium” means a premium or other consideration under a contract in pursuance of which, in accordance with the rules or practice of Lloyd's, one underwriting member agrees with another to meet liabilities arising from the latter's underwriting business in an underwriting year so that the accounts of the business for that year may be closed.
- (5) The group-relief continuity condition is satisfied if the corporate member (as the surrendering company) and the other company (as the claimant company) meet the conditions in [<sup>F31</sup>section 131 (the group condition), section 132 (consortium condition 1) or section 133 (consortium conditions 2 and 3) of the Corporation Tax Act 2010] throughout the period—
  - (a) beginning with the last day of the last active underwriting year of the corporate member, and
  - (b) ending with the first day of the first underwriting year in which losses of the last active underwriting year are declared.]

**Textual Amendments**

**F30** S. 227A inserted (19.7.2007 with effect in accordance with s. 33(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [s. 33\(1\)](#)

**F31** Words in s. 227A(5) substituted (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 1 para. 283](#) (with [Sch. 2](#))



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### [<sup>F32</sup>227B Transfer of underwriting business without change of ownership

- (1) This section applies where, in accordance with the rules or practice of Lloyd’s, a corporate member (“the successor”) has taken up the syndicate capacity of another corporate member (“the predecessor”).
- (2) [<sup>F33</sup>Chapter 1 of Part 22 of the Corporation Tax Act 2010 (transfers of trade without a change of ownership)] applies as if—
  - (a) [<sup>F34</sup>the transferred trade referred to in that Chapter](<sup>F34</sup>) were the underwriting business of the predecessor,
  - (b) the predecessor ceases to carry it on, and the successor begins to carry it on, at the end of the first underwriting year in which profits or losses of the predecessor’s last active underwriting year are declared, and
  - (c) [<sup>F35</sup>sections 951 and 952] were omitted.
- (3) For the purposes of subsection (1) above the successor has taken up the predecessor’s syndicate capacity if it has taken up the rights to participate in syndicates which were (or otherwise would be) offered to the predecessor.
- (4) In subsection (2)(b) above “last active underwriting year” has the same meaning as in section 227A above (see subsections (2) to (4) of that section).]

#### Textual Amendments

- F32** S. 227B inserted (19.7.2007 with effect in accordance with s. 43(2) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 43\(1\)](#)
- F33** Words in s. 227B(2) substituted (1.4.2013) (with effect in accordance with art. 1(3) of the amending S.I.) by [The Tax Law Rewrite Acts \(Amendment\) Order 2013 \(S.I. 2013/463\)](#), arts. 1(2), **7(2)(a)**
- F34** Words in s. 227B(2)(a) substituted (1.4.2013) (with effect in accordance with art. 1(3) of the amending S.I.) by [The Tax Law Rewrite Acts \(Amendment\) Order 2013 \(S.I. 2013/463\)](#), arts. 1(2), **7(2)(b)**
- F35** Words in s. 227B(2)(c) substituted (1.4.2013) (with effect in accordance with art. 1(3) of the amending S.I.) by [The Tax Law Rewrite Acts \(Amendment\) Order 2013 \(S.I. 2013/463\)](#), arts. 1(2), **7(2)(c)**

### [<sup>F36</sup>227C Exemption for profits or losses of foreign permanent establishments

- (1) This section applies for the purposes of section 18A(6) and (7) of the Corporation Tax Act 2009 (exemption for profits or losses of foreign permanent establishments: “relevant profits amount” and “relevant losses amount”).
- (2) Any regulations made under section 229(1)(d) below are to be ignored.
- (3) Profits or losses which are taken to arise to a corporate member in an underwriting year from its membership of one or more syndicates are to be left out of account in relation to any relevant accounting period so far as they are profits or losses of a previous underwriting year which began before the relevant day (as defined in section 18F of the 2009 Act (effect of election under section 18A)).
- (4) Profits or losses arising to a corporate member from assets forming part of a premium trust fund which are taken to be profits or losses of an underwriting year are to be left out of account in relation to any relevant accounting period so far as they are allocated under the rules or practice of Lloyds to a previous underwriting year which began before the relevant day (as defined in section 18F of the 2009 Act).]

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### Textual Amendments

**F36** S. 227C inserted (17.7.2012) (with effect in accordance with Sch. 20 para. 55(2) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 8](#)

## 228 Lloyd’s underwriters: individuals.

- (1) Chapter III of Part II of the 1993 Act (Lloyd’s underwriters: individuals) shall have effect subject to the amendments specified in Schedule 21 to this Act.
- (2) The following provisions shall cease to have effect, namely—
  - (a) section 627 of the Taxes Act 1988 (elections by Lloyd’s underwriters with respect to retirement annuities);
  - (b) in section 641 of that Act, subsection (2) (elections by Lloyd’s underwriters with respect to carry-back of contributions); and
  - (c) in section 183 of the 1993 Act, subsection (3) (amendments of sections 627(5) and 641(2) of the Taxes Act 1988).
- (3) Subject to any provision to the contrary, the provisions of Schedule 21 to this Act have effect for the year 1994-95 and subsequent years of assessment.
- (4) Subsection (2) above has effect for the year 1997-98 and subsequent years of assessment.

### *Supplemental*

## 229 Regulations.

- [<sup>F37</sup>(1)] The Board may by regulations provide—
- (a) for the assessment and collection of tax charged in accordance with section 219 above <sup>F38</sup>...;
  - (b) for making, in the event of any changes in the rules or practice of Lloyd’s, such amendments of this Chapter as appear to the Board to be expedient having regard to those changes;
  - (c) for modifying the application of this Chapter in cases where a syndicate continues after the end of its closing year or a corporate member becomes insolvent or otherwise ceases to carry on its underwriting business;
  - [<sup>F39</sup>(ca) for modifying the application of this Chapter in relation to cases where assets forming part of a [<sup>F40</sup>premium] trust fund are the subject of—
    - <sup>F41</sup>(i) .....
    - [<sup>F42</sup>(ii) [<sup>F43</sup>arrangements involving repos (within the meaning given by section 554(4) of the Corporation Tax Act 2009); or
    - (iii) arrangements meeting the conditions in section 554(2) of that Act (redemption arrangements);]
  - (d) for giving credit for foreign tax.
- [<sup>F44</sup>(2) Any power to make regulations conferred by this section includes power to make—
- (a) different provision for different cases or different purposes, and
  - (b) incidental, supplemental or transitional provision and savings.]]]

**Changes to legislation:** Finance Act 1994, Chapter V is up to date with all changes known to be in force on or before 27 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

### Textual Amendments

- F37** S. 229(1): s. 229 renumbered as s. 229(1) (20.7.2005 for specified purposes, 1.1.2006 in so far as not already in force) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 45\(5\)\(8\)\(9\)](#); S.I. 2005/3337, [art. 2](#)
- F38** Words in s. 229(1)(a) repealed (20.7.2005 for specified purposes, 1.1.2006 in so far as not already in force) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 45\(6\)\(8\)\(9\)](#), [Sch. 11 Pt. 2\(11\)](#); S.I. 2005/3337, [art. 2](#)
- F39** S. 229(ca) inserted (1.5.1995) by [1995 c. 4, s. 83\(2\)](#)
- F40** Word in s. 229(ca) substituted (1.12.2001) by S.I. 2001/3629, [art. 87\(e\)](#)
- F41** S. 229(ca)(i) repealed (19.3.1997 with effect as mentioned in Sch. 10 para. 7(1), Sch. 18 Pt. VI(10), Note 1 of the repealing Act) by [1997 c. 16, s. 113, Sch. 18 Pt. VI\(10\)](#); S.I. 1997/991, [art. 2](#)
- F42** S. 229(1)(ca)(ii) substituted (with effect in accordance with art. 3 of the commencing S.I.) by [Finance Act 2007 \(c. 11\), s. 47\(4\), Sch. 14 para. 19](#); S.I. 2007/2483, [art. 3](#)
- F43** S. 229(1)(ca)(ii)(iii) substituted for s. 229(1)(ca)(ii) (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 396](#) (with [Sch. 2 Pts. 1, 2](#))
- F44** S. 229(2) inserted (20.7.2005 for specified purposes, 1.1.2006 in so far as not already in force) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 45\(7\)\(8\)\(9\)](#); S.I. 2005/3337, [art. 2](#)

## 230 Interpretation and commencement.

(1) In this Chapter, unless the context otherwise requires—

“the 1993 Act” means the <sup>M1</sup>Finance Act 1993;

“ancillary trust fund”, in relation to a corporate member, does not include a [<sup>F45</sup>premium] trust fund but, subject to that, means any trust fund required or authorised by the rules of Lloyd’s, or required by a members’ agent or regulating trustee of the corporate member;

“closing year”—

(a) in relation to an underwriting year, means the underwriting year next but one following that year; and

(b) in relation to a syndicate, means the closing year of the underwriting year for which it was formed;

“corporate member” means a body corporate which is a member of Lloyd’s and is or has been an underwriting member;

“inspector” includes any officer of the Board;

“the Management Act” means the <sup>M2</sup>Taxes Management Act 1970;

“managing agent”, in relation to a syndicate and an underwriting year, means—

(a) the person registered as a managing agent at Lloyd’s who was acting as such an agent for the syndicate at the end of that year, or

(b) such other person as may be determined in accordance with regulations made by the Board;

“member” means a member of Lloyd’s who is or has been an underwriting member;

“members’ agent”, in relation to a corporate member, means a person registered as a members’ agent at Lloyd’s who has been appointed by the corporate member to act as its members’ agent in respect of all or any part of its underwriting business;

[<sup>F46</sup>“premium trust fund” means a trust fund into which premiums receivable by members are paid in compliance with a trust deed under [<sup>F47</sup>[<sup>F48</sup>Rule 8.2.19 of

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the [F49Prudential Sourcebook for Insurers made by the Prudential Regulation Authority] under the Financial Services and Markets Act 2000;]

“prescribed” means prescribed by regulations made by the Board;

“profits” includes gains;

“regulating trustee”, in relation to a corporate member, means a person designated as such by the terms of any trust deed by which a premiums trust fund of the corporate member is constituted;

“stop-loss insurance” means any insurance taken out by a corporate member against losses in its underwriting business [F50, except insurance taken out by entering a quota share contract (within the meaning of section 225 above)];

“syndicate” means a syndicate of underwriting members of Lloyd’s formed for an underwriting year;

“underwriting business”, in relation to a corporate member, means its underwriting business as a member of Lloyd’s;

“underwriting year” means the calendar year.

- (2) For the purposes of this Chapter, unless the contrary intention appears—
- (a) the profits or losses of a corporate member’s underwriting business include profits or losses arising to it—
- (i) from assets forming part of a [F51premium] trust fund or an ancillary trust fund; or
- (ii) from assets employed by it in, or in connection with, its underwriting business; and
- (b) any charge made on a corporate member by the managing agent of a syndicate of which it is a member, and any expense incurred on its behalf by the managing agent of such a syndicate, shall be treated as expenses arising directly from its membership of that syndicate.
- (3) Subject to any provision to the contrary, the provisions of this Chapter have effect for accounting periods ending on or after 1st January 1994 or, as the case may require, for the underwriting year 1994 and subsequent underwriting years.]]

#### Textual Amendments

- F45** S. 230(1): Word in the definition of “ancillary trust fund” substituted (1.12.2001) by [S.I. 2001/3629, art. 87\(f\)](#)
- F46** S. 230(1): Definition of “premium trust fund” substituted (1.12.2001) by [S.I. 2001/3629, art. 85](#)
- F47** Words in s. 230(1) substituted (1.7.2005) by [The Lloyds Sourcebook \(Amendment of the Finance Act 1993 and the Finance Act 1994\) Order 2005 \(S.I. 2005/1538\), arts. 1, 3](#)
- F48** Words in s. 230 substituted (31.12.2006) by [The Lloyds Sourcebook \(Finance Act 1993 and Finance Act 1994\) \(Amendment\) Order 2006 \(S.I. 2006/3273\), arts. 1, 3](#)
- F49** Words in s. 230(1) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments\) Order 2013 \(S.I. 2013/636\), art. 1\(2\), Sch. para. 4](#)
- F50** Words in s. 230(1) inserted (with effect as mentioned in s. 86(2) of the amending Act) by [Finance Act 2002 \(c. 23\), s. 86, Sch. 32 para. 10](#)
- F51** Word in s. 230(2)(a)(i) substituted (1.12.2001) by [S.I. 2001/3629, art. 87\(f\)](#)

#### Modifications etc. (not altering text)

- C7** S. 230 applied (1.5.1995) by [1995 c. 4, s. 127\(16\)\(b\)](#)

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S. 230 applied (29.4.1996 with effect as mentioned in s. 105 of the amending Act) by 1996 c. 8, s. 99, [Sch. 11 para. 7\(2\)](#) (with Pt. IV Chapter II (ss. 80-105))

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**Marginal Citations**

**M1** 1993 c.34.

**M2** 1970 c.9.

**Changes to legislation:**

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 16A(2)(g) inserted by [2023 c. 30 Sch. 13 para. 28](#)
- s. 160(2)-(7) modified by 2010 c. 8 s. 464(6) (as inserted) by [2017 c. 32 Sch. 5 para. 1](#)
- Sch. 5 para. 2(1)(pa) inserted by [S.I. 2022/109 reg. 4](#) (This amendment not applied to [legislation.gov.uk](#). The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)