



Finance Act 1993

1993 CHAPTER 34

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER III

LLOYD'S UNDERWRITERS ETC.

Main provisions

171 Taxation of profits and allowance of losses.

- (1) Income tax for any year of assessment on the profits arising from a member's underwriting business shall be computed on the profits of that year of assessment.
- (2) As respects the profits arising to a member from his underwriting business for any year of assessment—
 - [^{F1}(a) the aggregate of those profits shall be chargeable to tax under Chapter 2 of Part 2 of the Income Tax (Trading and Other Income) Act 2005 as the profits of a trade carried on in the United Kingdom; and
 - (b) accordingly, no part of those profits shall be treated as relevant foreign income, or be charged to tax under any other Part of that Act or any Part of the Income Tax (Earnings and Pensions) Act 2003;]

but nothing in this subsection shall affect the manner in which the amount of any profits arising from assets forming part of an ancillary trust fund is to be computed.

^{F2}(2A)

^{F3}(2B)

^{F4}(3)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Cross Heading: Main provisions. (See end of Document for details)

- (4) Subsection (2) above does not apply in relation to any profits arising before 6th April 1993 from assets forming part of an ancillary trust fund.

Textual Amendments

- F1** S. 171(2)(a)(b) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 464\(2\)](#) (with [Sch. 2](#))
- F2** S. 171(2A) repealed (31.7.1997 with effect in accordance with s. 36 and [Sch. 6 para. 20\(3\)](#) of the amending Act) by [1997 c. 58, ss. 36, 52, Sch. 6 para. 20\(2\)\(3\), Sch. 8 Pt. II\(11\)](#) Note
- F3** S. 171(2B) 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. 55](#)
- F4** S. 171(3) repealed (3.5.1994 with effect for the year 1996-97 and subsequent years of assessment) by [1994 c. 9, ss. 228, 258, Sch. 21 para. 1\(2\)\(3\)\(b\), Sch. 26 Pt. V\(25\)](#) Note 2

Modifications etc. (not altering text)

- C1** S. 171 modified (9.3.1995 with effect in relation to profits or losses of a member's underwriting business arising in the underwriting year 1994 or 1995) by [S.I. 1995/352, reg. 13](#)

172 Year of assessment in which profits or losses arise.

- (1) Subject to the provisions of this Chapter, for the purposes of section 171 above and all other purposes of the Income Tax Acts the profits or losses in any year of assessment of a member's underwriting business shall be taken to be—
- [^{F5}(a) in the case of profits or losses arising directly from his membership of one or more syndicates, those of any previous year or years which are declared in the corresponding underwriting year;
- (b) in the case of profits or losses arising from assets forming part of a [^{F6}premium] trust fund, 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 the corresponding underwriting year; and]
- (c) in the case of other profits or losses, those derived from payments received or made in the corresponding underwriting year.
- (2) Subsection (1)(c) above does not apply in relation to payments received or made before 6th April 1993.

Textual Amendments

- F5** [S. 172\(1\)\(a\)\(b\)](#) substituted (3.5.1994 with effect as mentioned in [Sch. 21 para. 2\(2\)](#) of the amending Act) by [1994 c. 9, s. 228, Sch. 21 para. 2\(1\)\(2\)](#)
- F6** Word in [s. 172\(1\)\(b\)](#) substituted (1.12.2001) by [S.I. 2001/3629, arts. 1\(2\), 82\(b\)](#)

Modifications etc. (not altering text)

- C2** [S. 172](#) modified (1.12.1997 with effect with respect to accounting periods of Lloyd's Scottish limited partnerships ending on or after that date) by [S.I. 1997/2681, reg. 6\(1\)\(b\)](#)

^{F7}173 Assessment and collection of tax.

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Cross Heading: Main provisions. (See end of Document for details)

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Textual Amendments

- F7** S. 173 repealed (20.7.2005 for specified purposes, 6.4.2006 in so far as not already in force) by Finance (No. 2) Act 2005 (c. 22), s. 45(1)(8)(9), **Sch. 11 Pt. 2(11)**; S.I. 2005/3337, art. 3

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1993, Cross Heading: Main provisions.