

Changes to legislation: Finance Act 2007, SCHEDULE 10 is up to date with all changes known to be in force on or before 14 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

SCHEDULES

SCHEDULE 10

Section 41

INSURANCE COMPANIES: MISCELLANEOUS

Contingent loans

F1 1

Textual Amendments

F1 Sch. 10 para. 1 omitted (with effect in accordance with Sch. 17 para. 4(1) of the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 17 para. 3(d)**

“Structural” assets

2 F2(1)

(2) In ICTA, omit section 444ACA (transfers of business).

(3) In section 432E(2A) of that Act, omit “444ACA(2),” and paragraph (b).

(4) In section 211 of TCGA 1992 (transfers of business: application of section 139 of that Act), as amended by paragraph 14 of Schedule 9 to this Act, after subsection (2) insert—

“(2A) The reference in subsection (2) above to assets included in the transfer does not include structural assets within the meaning of section 83XA of the Finance Act 1989.”

(5) In paragraph 17 of Schedule 7AC to TCGA 1992 (substantial shareholdings exemption: special rules for assets of insurance company's long-term insurance fund), after sub-paragraph (4) insert—

“(4A) The reference in sub-paragraph (2) to an asset of the investing company's long-term insurance fund, and the references in sub-paragraphs (3) and (4) to shares or an interest in shares held as assets of its long-term insurance fund, do not include a structural asset, or structural assets, within the meaning of section 83XA of the Finance Act 1989.”

Textual Amendments

F2 Sch. 10 para. 2(1) omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 247(p)(iv)**

Losses on disposal of authorised investment fund assets to connected manager

3 In TCGA 1992, after section 210B insert—

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“210C Losses on disposal of authorised investment fund assets to connected manager

(1) Section 18(3) does not apply in relation to a loss accruing on the disposal by an insurance company of authorised investment fund assets to the manager of the authorised investment fund.

(2) In this section—

“authorised investment fund assets” means assets of the company's long-term insurance fund consisting of rights under an authorised unit trust or shares in an open-ended investment company,

“the manager of the authorised investment fund” means—

- (a) in the case of an authorised unit trust, the person who is the manager of the unit trust scheme for the purposes of Chapter 3 of Part 17 of the Financial Services and Markets Act 2000, and
- (b) in the case of an open-ended investment company, a director or other person having responsibility for the management of its scheme property, and

“open-ended investment company” means a company incorporated in the United Kingdom to which section 236 of the Financial Services and Markets Act 2000 applies.”

Priority of section 83(2) of FA 1989 etc

F34

Textual Amendments

F3 Sch. 10 para. 4 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(p\)\(iv\)](#)

Tidying up of TCGA 1992

- 5 (1) TCGA 1992 is amended as follows.
- (2) In section 210B(6)(a) (disposal and acquisition of section 440A securities), for the words after “are” substitute “ assets within section 212(1). ”
- (3) Omit—
 - (a) section 212(2A) (disapplication of section 212(1) to assets treated as representing rights under a creditor relationship),
 - (b) section 214 (rights under authorised unit trusts etc: transitional provisions), and
 - (c) section 214A (further transitional provisions).

Tidying up of Chapter 2 of Part 4 of FA 1996

F46

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Textual Amendments

- F4** Sch. 10 para. 6 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

Correction of erroneous repeal

- 7 The repeals made by Schedule 3 to ITA 2007 in paragraph 11 of Schedule 6 to FA 1990 are deemed never to have had effect; but Schedule 3 to ITA 2007 is deemed to have included the repeal of the words before the paragraphs in sub-paragraph (1) of that paragraph.

Non-profit companies, non-profit funds and with-profits funds

- 8 (1) In section 431(2) of ICTA (interpretative provisions relating to insurance companies) insert at the appropriate place—
- ““non-profit company”, in relation to a period of account, means a company carrying on long-term business where, at the end of the period—
- (a) none of the liabilities of that business, or
 - (b) none but an insignificant proportion of those liabilities,
- are with-profits liabilities;”,
- ““non-profit fund” means a fund that is not a with-profits fund;”, and
- ““with-profits fund” has the meaning given by the Prudential Sourcebook (Insurers);”.
- (2) Omit—
- (a) in section 432YA(5) of ICTA, the definitions of “non-profit company” and “non-profit fund”,
 - (b) section 82D(5) of FA 1989,
 - (c) in section 83YA of that Act, subsection (8) and, in subsection (11), the definition of “with-profits fund”, and
 - (d) in section 83A of that Act, in subsections (2)(b) and (3D)(b) “(see subsection (6))” and subsection (6).

Internal linked funds and net value

- 9 (1) In section 431(2) of ICTA (interpretative provisions relating to insurance companies) insert at the appropriate place—
- ““internal linked fund”, in relation to an insurance company, means an account—
- (a) to which linked assets are appropriated by the company, and
 - (b) which may be divided into units the value of which is determined by the company by reference to the value of those assets;”, and

““net value”, in relation to any assets, means the excess of the value of the assets over the value of money debts (within the meaning of Chapter 2 of Part 4 of the Finance Act 1996) attributable to an internal linked fund which are not owed in respect of liabilities;”.

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(2) Omit—

- (a) in section 432ZA(6) of ICTA, the definition of “internal linked fund”,
- (b) section 432A(9A) of that Act,
- (c) the definition of “internal linked fund” in section 210B(8) of TCGA 1992, and
- (d) paragraph 3A(6) of Schedule 11 to FA 1996.

Fair value

- 10 (1) In section 431(2) of ICTA (interpretative provisions relating to insurance companies) insert at the appropriate place—

““fair value”, in relation to assets, means the amount which would be obtained from an independent person purchasing them or, if the assets are money, its amount;”.

(2) In section 440 of ICTA (transfer of assets etc)—

- (a) in subsections (1) and (2), for “market” substitute “ fair ”, and
- (b) omit subsection (5).

(3) Omit—

- (a) section 444AB(6) of ICTA (as originally enacted),
- (b) in section 444AC(11) of that Act (as originally enacted), the words from the beginning to the end of the definition of “fair value”,
- (c) section 444AD(5) of that Act,
- (d) in section 83(8) of FA 1989, in the definition of “fair value”, paragraph (a), and
- (e) section 83YB(5) of that Act.

Generalisation of definitions

^{F5}11

Textual Amendments

F5 Sch. 10 paras. 11-13 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(p\)\(iv\)](#)

^{F5}12

Textual Amendments

F5 Sch. 10 paras. 11-13 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(p\)\(iv\)](#)

^{F5}13

Textual Amendments

F5 Sch. 10 paras. 11-13 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(p\)\(iv\)](#)

- 14 (1) Omit the following provisions.

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- (2) In ICTA—
 - (a) in section 12(7B), the words from the beginning to the end of the definition of “contracts of long-term insurance”,
 - (b) in section 76(15), “and other expressions have the same meaning as in Chapter 1 of Part 12”,
 - (c) in section 587B(9), “ “life assurance business” and related expressions have the same meaning as Chapter 1 of Part 12;”,
 - (d) in section 755A(12), the definition of “long-term insurance fund”,
 - (e) section 804F, and
 - (f) in paragraph 14(1) of Schedule 28AA, the definition of “insurance company”.
- (3) In FA 1989—
 - (a) in section 85(2A), the second sentence,
 - (b) in section 89(6), the words from the beginning to “; and”, and
 - (c) section 90A.
- (4) In paragraph 16(7) of Schedule 7 to FA 1991, the words from “and, subject to that,” to the end.
- (5) In TCGA 1992—
 - (a) section 214BA, and
 - (b) paragraph 17(5) of Schedule 7AC.
- (6) In FA 1996—
 - (a) in section 87A(2), “ , within the meaning of Chapter 1 of Part 12 of the Taxes Act 1988,” and “(see section 431(2) of that Act)”,
 - (b) section 88(7),
 - (c) in paragraph 12(9) of Schedule 9, the definitions of “contracts of long-term insurance” and “overseas life insurance company”,
 - (d) in paragraph 20(3)(b) of that Schedule, “ , within the meaning of Chapter 1 of Part 12 of the Taxes Act 1988,” and “(see section 431(2) of that Act)”, and
 - (e) in Schedule 11, paragraph 6.
- (7) In paragraph 13(3) of Schedule 18 to FA 1998, the words after “1988”.
- (8) In CAA 2001—
 - (a) section 257(3),
 - (b) section 544(5), and
 - (c) section 560(5)(a) and (c).
- ^{F6}(9)
- (10) In FA 2002—
 - (a) in section 66(5), the words from the beginning to the end of the definition of “long-term insurance fund”,
 - (b) in paragraph 19(1) of Schedule 12, the definition of “life assurance business”,
 - ^{F7}(c)
 - ^{F7}(d)

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- (e) in Schedule 29, in paragraph 89(3), the definition of “contracts of long-term insurance” and paragraph 138(1).
- (11) In Schedule 23 to FA 2003—
 - (a) in paragraph 30, the definitions of “insurance company” and “life assurance business”, and
 - (b) in paragraph 31, the entries relating to those definitions.
- (12) Section 134(4)(c) of FA 2006.

Textual Amendments

- F6** Sch. 10 para. 14(9) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F7** Sch. 10 para. 14(10)(c)(d) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

Minor changes

- 15 ^{F8}(1)
- ^{F8}(2)
- ^{F8}(3)
- (4) In paragraph 17 of Schedule 7 to FA 1991 (transitional provisions for chargeable gains and unrelieved general annuity business)—
- (a) in sub-paragraph (4), for the words after “in an accounting period” substitute “is so much of the chargeable gains arising to the company in the accounting period as are referable to its basic life assurance and general annuity business. ”, and
 - (b) omit sub-paragraphs (4A) and (5).

Textual Amendments

- F8** Sch. 10 para. 15(1)-(3) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\), Sch. 16 para. 247\(p\)](#) (iv)

Obsolete etc provisions

- 16 (1) Omit the following provisions (which are obsolete or of limited value).
- (2) In the Table in section 98 of TMA 1970, the words “or 441A(3)” in both columns.
- (3) In ICTA—
- (a) in section 76(7), in Step 3, the entries relating to section 587B(8)(b)(i) of ICTA and paragraph 23(2) of Schedule 13 to FA 2002,
 - (b) section 440(2A) and (2B) (transfer of assets: loan relationships and derivative contracts),
 - (c) section 442(4) (special rule for insurance companies ceasing to be resident in United Kingdom),
 - (d) section 443 (life policies carrying rights not in money),

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- (e) section 444 (life policies issued before 5th August 1965),
 - (f) section 587B(8) (gifts to charities etc: modifications for insurance companies), and
 - (g) in section 807A (disposals and acquisitions of company loan relationships with or without interest), subsections (4) and (5)(b) and, in subsection (6) (a), “or an insurance credit”.
- (4) In FA 1989—
- (a) section 84(2), (3), (5) and (6) (transitional provisions etc),
 - (b) in section 85(3) (commencement of provisions for charge of certain BLAGAB receipts), “(including the 1990 component period)”,
 - (c) in section 86 (spreading of relief for acquisition expenses), subsections (3) and (3A) and, in subsection (10), “(including the 1990 component period)”, and
 - (d) section 87 (management expenses).
- (5) In FA 1996—
- (a) paragraph 1(1) and (2) of Schedule 11 (loan relationships: I minus E basis),
 - (b) paragraph 4(6) of that Schedule (non-trading deficits: transitional provision),
 - (c) paragraph 5 of that Schedule (elections for accrual basis), and
 - (d) paragraph 1(3) of Schedule 15 (apportionment of loan relationship credits and debits: transitional provision).
- (6) Paragraph 18 of Schedule 12 to FA 1997 (leasing arrangements: meaning of “accounting purposes” for insurance companies).
- (7) Paragraph 86 of Schedule 18 to FA 1998 (non-annual actuarial investigations).
- ^{F9}(8)
- (9) Section 87(3) and (4) of FA 2001 (tax credits etc).
- ^{F10}(10)

Textual Amendments

- F9** Sch. 10 para. 16(8) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))
- F10** Sch. 10 para. 16(10) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

Commencement

- 17 (1) The amendment made by paragraph 1 has effect on and after 10th May 2007.
- (2) The amendments made by paragraphs 2, 4(2) and (4), 5, 6 and 8 to 15 have effect in relation to periods of account beginning on or after 1st January 2007.
- (3) But the amendment made by paragraph 2(4) does not apply where the transfer of business concerned took place before 10th May 2007.
- (4) The amendment made by paragraph 3 has effect in relation to losses accruing in a period of account beginning on or after 1st January 2007.

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- (5) The amendment made by paragraph 4(3) has effect in relation to periods of account beginning on or after 1st January 2005.

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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. 993 modified by [2016 c. 24 s. 118\(2\)](#)
- Sch. 24 para. 12(5)(za) inserted by [2015 c. 11 Sch. 20 para. 6\(a\)](#)
- Sch. 24 para. 21A(A1) inserted by [2015 c. 11 Sch. 20 para. 7\(2\)](#)
- Sch. 24 para. 4A(A1)(1) substituted for Sch. 24 para. 4A(1) by [2015 c. 11 Sch. 20 para. 3\(2\)](#)