

**Changes to legislation:** Finance Act 2007, SCHEDULE 8 is up to date with all changes known to be in force on or before 15 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 8

Section 39

### INSURANCE COMPANIES: BASIS OF TAXATION ETC

#### PART 1

#### AMENDMENTS

#### *Income and Corporation Taxes Act 1988 (c. 1)*

1 ICTA is amended as follows.

<sup>F12</sup> .....

#### Textual Amendments

**F1** Sch. 8 paras. 2-6 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(p\)\(ii\)](#)

<sup>F13</sup> .....

#### Textual Amendments

**F1** Sch. 8 paras. 2-6 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(p\)\(ii\)](#)

<sup>F14</sup> .....

#### Textual Amendments

**F1** Sch. 8 paras. 2-6 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(p\)\(ii\)](#)

<sup>F15</sup> .....

#### Textual Amendments

**F1** Sch. 8 paras. 2-6 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(p\)\(ii\)](#)

<sup>F16</sup> .....

#### Textual Amendments

**F1** Sch. 8 paras. 2-6 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(p\)\(ii\)](#)

7 Omit section 439A (taxation of pure reinsurance business).

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F28 .....

**Textual Amendments**  
F2 Sch. 8 para. 8 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(p)(ii)

F39 .....

**Textual Amendments**  
F3 Sch. 8 para. 9 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(p)(ii)

10 In section 755A(2) and (6)(a) (controlled foreign companies: apportionments to companies carrying on life assurance business), for “not charged to tax under Case I of Schedule D in respect of its profits from” substitute “ charged to tax under the I minus E basis in respect of”.

*Finance Act 1989 (c. 26)*

F411 .....

**Textual Amendments**  
F4 Sch. 8 paras. 11-16 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(p)(ii)

F412 .....

**Textual Amendments**  
F4 Sch. 8 paras. 11-16 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(p)(ii)

F413 .....

**Textual Amendments**  
F4 Sch. 8 paras. 11-16 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(p)(ii)

F414 .....

**Textual Amendments**  
F4 Sch. 8 paras. 11-16 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(p)(ii)

F415 .....

**Textual Amendments**  
F4 Sch. 8 paras. 11-16 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(p)(ii)

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F<sup>4</sup>16 .....

**Textual Amendments**

F4 Sch. 8 paras. 11-16 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(p)(ii)

*Finance Act 1991 (c. 31)*

17 In paragraph 16(1) of Schedule 7 to FA 1991 (transitional relief for old general annuity contracts), for “, otherwise than in accordance with the provisions applicable to Case I of Schedule D,” substitute “ under the I minus E basis ”.

*Taxation of Chargeable Gains Act 1992 (c. 12)*

18 In section 212 of TCGA 1992 (annual deemed disposal of holdings of unit trusts etc), omit subsection (7A) (which applies section 440B(5) of ICTA).

*Finance (No. 2) Act 1992 (c. 48)*

19 In F(No.2)A 1992, omit section 65 (life assurance business: I minus E basis).

*Finance Act 1996 (c. 8)*

F<sup>5</sup>20 .....

**Textual Amendments**

F5 Sch. 8 para. 20 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)

*Finance Act 1998 (c. 36)*

21 In paragraph 84 of Schedule 18 to FA 1998 (company tax returns, assessments and related matters), for sub-paragraphs (1) to (3) substitute—

“(1) This paragraph applies where amounts may be brought into charge to tax either—

- (a) in computing profits chargeable to tax under Case I of Schedule D, or
- (b) as amounts within Case III or V of that Schedule.”; and the italic heading before that paragraph accordingly becomes “ *Choice between Case I and Case III or V of Schedule D* ”.

*Capital Allowances Act 2001 (c. 2)*

22 CAA 2001 is amended as follows.

23 In section 256(1) (different giving effect rules for different categories of business), for paragraph (b) substitute—

“(b) is charged to tax under the I minus E basis in respect of its life assurance business.”

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- 24 In section 257(2) (life assurance: supplementary), for paragraphs (a) and (b) substitute—
- “(a) section 85A(3) of the Finance Act 1989 (excess adjusted Case I profits), or
  - (b) section 89 of that Act (policy holders' share of profits).”

*Finance Act 2002 (c. 23)*

F<sup>6</sup>25 .....

**Textual Amendments**  
F6 Sch. 8 paras. 25-27 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](#))

F<sup>6</sup>26 .....

**Textual Amendments**  
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F<sup>6</sup>27 .....

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**PART 2**

TRANSITIONAL PROVISIONS

*Unused pre-commencement section 76(12) etc excesses*

F<sup>7</sup>28 .....

**Textual Amendments**  
F7 [Sch. 8 para. 28](#) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 247(p)(ii)**

*Shifts in basis of taxation at first post-commencement accounting period*

F<sup>8</sup>29 .....

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**Textual Amendments**

**F8** [Sch. 8 para. 29](#) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(p\)\(ii\)](#)

**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. 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\(2\)](#)