

SCHEDULES

SCHEDULE 17

PART 2: TRANSITIONAL PROVISION

PART 1

DEEMED RECEIPTS OR EXPENSES

Period over which deemed receipts or expenses arise

- 13 (1) This paragraph applies if—
- (a) under an insurance business transfer scheme, there is a transfer from one insurance company to another of basic life assurance and general annuity business (or any part of that business) or non-BLAGAB long-term business (or any part of that business),
 - (b) the transfer is a relevant intra-group transfer, and
 - (c) the transfer occurs at a time when the full amount of the receipts or expenses within paragraph 9 or 10 of the business the whole or part of which is transferred has not been treated as arising.
- (2) A transfer is a “relevant intra-group transfer” for the purposes of this paragraph if—
- (a) the transferor and the transferee are members of the same group of companies when the transfer occurs (as determined in accordance with section 170(2) to (11) of TCGA 1992), and
 - (b) the transferee is within the charge to corporation tax in relation to the transfer.
- (3) The receipts or expenses are to continue to be dealt with in accordance with the provisions of this Schedule, but are treated as arising to the transferee over so much of the 10-year period in question as falls on or after the date on which the transfer takes place.
- (4) If only part of a business is transferred—
- (a) the appropriate proportion of the receipts or expenses is treated as arising to the transferee over so much of the 10-year period in question as falls on or after the date on which the transfer takes place, and
 - (b) the remainder of the receipts or expenses is treated as arising to the transferor over so much of that period.
- (5) The appropriate proportion of the receipts or expenses of a business is equal to the proportion which the value of the liabilities relating to the part of the business transferred bears to the total value of the liabilities of the whole of the business.
- (6) For the purposes of this paragraph and paragraphs 11 and 12 the accounting periods of the transferor and the transferee in which the transfer takes place are deemed to end immediately before the transfer takes place.