



Finance Act 2012

2012 CHAPTER 14

PART 2

INSURANCE COMPANIES CARRYING ON LONG-TERM BUSINESS

CHAPTER 7

TRADING APPORTIONMENT RULES

114 Application of Chapter

- (1) This Chapter applies in the case of an insurance company which, as a result of section 66, has—
 - (a) a business consisting of basic life assurance and general annuity business, and
 - (b) a non-BLAGAB long-term business.
- (2) The rules contained in this Chapter determine—
 - (a) how to allocate between those two businesses the profits or loss of the long-term business calculated in accordance with generally accepted accounting practice, and
 - (b) how to allocate the tax adjustments in making the calculations mentioned in subsection (5)(a) and (b).
- (3) The amount of the profits or loss mentioned in subsection (2)(a) is referred to in this Chapter as the “accounting profit or loss”.
- (4) For the purposes of this Chapter “the tax adjustments” means the adjustments required or authorised by law in calculating for corporation tax purposes the profits of the long-term business (applying the same rules as apply to the calculation for those purposes of the profits of non-BLAGAB long-term business).
- (5) The rules contained in this Chapter have effect for the purpose of—
 - (a) calculating the BLAGAB trade profit or loss of the company, and

- (b) calculating for corporation tax purposes the profits of the non-BLAGAB long-term business carried on by the company.