



Finance Act 2012

2012 CHAPTER 14

PART 2

INSURANCE COMPANIES CARRYING ON LONG-TERM BUSINESS

CHAPTER 8

ASSETS HELD FOR PURPOSES OF LONG-TERM BUSINESS

Share pooling rules

120 Overseas life insurance companies: rule corresponding to s.119

- (1) If the assets of an overseas life insurance company include securities of a class all of which would, but for this section, be regarded as one holding for the purposes of corporation tax on chargeable gains, the following pooling rules apply instead for those purposes—
- (a) so many of the securities so far as UK securities matched to BLAGAB liabilities of the company are treated as a separate holding,
 - (b) so many of the securities so far as UK securities matched to other long-term business liabilities of the company are treated as a separate holding,
 - (c) so many of the securities as are UK securities held by the company for the purposes of any with-profits fund but not matched to its long-term business liabilities are treated as a separate holding,
 - (d) so many of the securities as are UK securities held for the purposes of the company's long-term business but not matched to its long-term business liabilities or held by it for the purposes of any with-profits funds are treated as a separate holding,
 - (e) any remaining UK securities are treated as a separate holding which is held otherwise than for the purposes of the company's long-term business, and
 - (f) any securities which are held by the company but which are not UK securities are treated as a separate holding.

Status: This is the original version (as it was originally enacted).

- (2) If the company has more than one with-profits fund within subsection (1)(c), so many of the securities as are UK securities held by it for the purposes of a particular fund but are not matched to its long-term business liabilities are treated as a separate holding for the purposes of corporation tax on chargeable gains.
- (3) Subsection (1) does not apply if all the income of the company's long-term business is chargeable to corporation tax on income under section 35 of CTA 2009.
- (4) In that case, if the company's assets include securities of a class all of which would, but for this section, be regarded as one holding for the purposes of corporation tax on chargeable gains, the following pooling rules apply instead for those purposes—
 - (a) so many of the securities as are UK securities held for the purposes of its long-term business are treated as a separate holding,
 - (b) any remaining UK securities are treated as a separate holding which is held otherwise than for the purposes of its long-term business, and
 - (c) any securities which are held by the company but which are not UK securities are treated as a separate holding.
- (5) For the purposes of this section, securities (whether situated in the United Kingdom or elsewhere) are "UK securities" of an overseas life insurance company if, in accordance with the provision made by or under Chapter 4 of Part 2 of CTA 2009, they fall to be attributed to the permanent establishment in the United Kingdom through which the company carries on life assurance business.