



# Finance Act 2012

## 2012 CHAPTER 14

### PART 2

#### INSURANCE COMPANIES CARRYING ON LONG-TERM BUSINESS

### CHAPTER 10

#### TRANSFERS OF LONG-TERM BUSINESS

#### *Transfers of long-term business: anti-avoidance*

#### **132 Anti-avoidance**

- (1) This section applies if—
  - (a) under an insurance business transfer scheme, there is a transfer on or after 1 January 2013 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), and
  - (b) the main purpose, or one of the main purposes, of a company (“C”) in entering into one or more of the arrangements included in the insurance business transfer arrangements is an unallowable purpose.
- (2) The “insurance business transfer arrangements” consist of—
  - (a) the insurance business transfer scheme under which the transfer is made, and
  - (b) any arrangement entered into on or after 1 January 2013 with a connection (direct or indirect) to that scheme.
- (3) A purpose is an “unallowable purpose” if—
  - (a) it consists of securing a tax advantage for C or any other company, or
  - (b) it is not amongst C’s business or other commercial purposes.
- (4) There are to be made such adjustments of any income or gains chargeable to corporation tax as are required to negate any tax advantage arising to C or any other

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*Status: This is the original version (as it was originally enacted).*

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company so far as referable to the unallowable purpose on a just and reasonable apportionment.

- (5) For the purposes of this section—
- (a) “arrangement” includes any agreement, scheme, transaction or understanding (whether or not legally enforceable), and
  - (b) section 1139 of CTA 2010 (meaning of “tax advantage”) applies, but reading references to tax as references to corporation tax.
- (6) If C is not within the charge to corporation tax in respect of a part of its activities, C’s business or other commercial purposes for the purposes of this section do not include the purposes of that part of its activities.