



Finance Act 2012

2012 CHAPTER 14

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 3

CORPORATION TAX: GENERAL

Insurance

28 Deemed receipts under s.26(4): double taxation relief

- (1) This section applies if—
 - (a) a receipt is treated as arising to an insurance company's business in an accounting period as a result of section 26(4),
 - (b) the company carries on business through a permanent establishment outside the United Kingdom by reference to which double taxation relief is afforded in respect of any income or gains, and
 - (c) the permanent establishment is one in relation to which regulation 10(2) of the Insurance Companies (Reserves) (Tax) Regulations 1996 previously applied.
- (2) For the purpose of calculating the profits or losses by reference to which double taxation relief is afforded for the accounting period, only the appropriate proportion (if any) of the receipt is to be taken into account.
- (3) The appropriate proportion of the receipt is—
 - (a) equal to the mean of each proportion found for each relevant period (if any), or
 - (b) equal to such other proportion as the company may determine on a just and reasonable basis.

Status: This is the original version (as it was originally enacted).

- (4) For the purposes of subsection (3)(a) a proportion for a relevant period is the proportion which the PE's premium income for the period bears to the company's premium income for the period.
- (5) For the purposes of subsections (3)(a) and (4)—
- “the company's premium income”, in relation to a relevant period, means the amount of net premiums written by reference to which the calculation under section 444BA(2)(a) or (b) of ICTA was made for the period,
 - “the PE's premium income”, in relation to a relevant period, means so much of the company's premium income for the period as is attributable to the permanent establishment, and
 - a “relevant period” means an accounting period of the company in relation to which each of the following conditions is met—
 - (a) section 444BA of ICTA has applied in relation to the accounting period,
 - (b) the business mentioned in subsection (1)(a) has been carried on through the permanent establishment in the accounting period, and
 - (c) the accounting period is the company's last accounting period in relation to which section 444BA of ICTA applied or is one that falls wholly or partly in the period of six years ending with the day on which that last accounting period ended.
- (6) In subsection (5)—
- (a) “net premiums written” means gross premiums written net of reinsurance premiums payable under reinsurance ceded, and
 - (b) references to section 444BA of ICTA include that section as modified by regulations made under that Act.