
STATUTORY INSTRUMENTS

1995 No. 351

The Lloyd's Underwriters (Tax) Regulations 1995

Assessment and collection of tax

Amount payable under stop-loss insurance – individual member

5.—(1) This regulation applies where—

- (a) any insurance money payable to a member under a stop-loss insurance in respect of a loss in his underwriting business, or any amount payable to a member out of the High Level Stop Loss Fund in respect of such a loss, falls to be treated by virtue of section 178(2) of the Finance Act 1993⁽¹⁾ as a trading receipt in computing the profits arising from the business for the year of assessment which corresponds to the underwriting year in which the loss arose or, as respects an amount payable in respect of a loss declared in the underwriting year 1997 or a subsequent underwriting year, the underwriting year in which the loss was declared;
- (b) the amount so treated operates to reduce or extinguish the amount of the loss sustained by the member in his underwriting business for that year of assessment;
- (c) section 178(3) of the Finance Act 1993 does not apply as respects the payment of that amount; and
- (d) the inspector is precluded—
 - (i) by section 34 of the Management Act⁽²⁾ from making an assessment under section 29(3)(c) of that Act or, as respects the year 1996–97 and subsequent years of assessment, section 29(1)(c) of that Act⁽³⁾, in respect of the whole or any part of that amount, or
 - (ii) by section 30(5) of the Management Act⁽⁴⁾ from making an assessment under that section in respect of the whole or any part of that amount.

(2) An assessment under section 29(3)(c) or, as the case may be, section 29(1)(c) or 30 of the Management Act in respect of the whole or any part of that amount shall not be out of time if made before the end of the underwriting year following the underwriting year following the underwriting year in which the amount was received.

(1) Section 178(2) was amended by paragraph 5 of Schedule 21 to the Finance Act 1994 as respects insurance money and other amounts payable in respect of losses declared in the underwriting year 1997 or subsequent underwriting years.

(2) Section 34 was amended by paragraph 10 of Schedule 19 to the Finance Act 1994 with effect from the year 1996–97.

(3) Section 29 was substituted by section 191 of the Finance Act 1994 with effect from the year 1996–97, but in relation to a partnership whose trade, profession or business was set up and commenced before 6th April 1994, with effect from the year 1997–98.

(4) Section 30 was substituted by section 149(1) of the Finance Act 1982 (c. 39), and the section as substituted was amended by section 88(1) to (4) of the Finance (No. 2) Act 1987 (c. 51), paragraphs 10(3) and 32 of Schedule 29 to the Income and Corporation Taxes Act 1988, section 149(3)(a) of the Finance Act 1989 (c. 26), section 105 of the Finance Act 1990 (c. 29), paragraph 2(6) of Schedule 10 to the Taxation of Chargeable Gains Act 1992 (c. 12) and, with effect from the year 1996–97, paragraph 4 of Schedule 19 to the Finance Act 1994.