

**2001 No. 1757**

**INCOME TAX**

**The General Insurance Reserves (Tax) Regulations 2001**

*Made*       -       -       -       -       *8th May 2001*

*Laid before the House of Commons*       *8th May 2001*

*Coming into force*       *29th May 2001*

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 107 of the Finance Act 2000(a), hereby make the following Regulations:

**Citation, commencement and effect**

1. These Regulations may be cited as the General Insurance Reserves (Tax) Regulations 2001 and shall come into force on 29th May 2001, and shall have effect for periods of account of general insurers—

- (a) beginning on or after 1st January 2001, and
- (b) ending on or after 29th May 2001.

**Interpretation**

2.—(1) In these Regulations unless the context otherwise requires—

“controlled foreign company” has the meaning in Chapter IV of Part XVII of the Income and Corporation Taxes Act 1988(b) (“the Taxes Act”);

“Schedule 9A” means Schedule 9A to the Companies Act 1985(c);

“section 107” means section 107 of the Finance Act 2000;

other references to a section, without more, are to that section of the Taxes Act; and

“statutory accounts”, in relation to a company other than an underwriting member, has the meaning given by section 86(8)(a) and (c) to (e) of the Finance Act 1996(d).

(2) References to a company being connected with another company shall be construed in accordance with section 839(5) to (7).

**Recalculation of technical provisions for the purposes of section 107**

3.—(1) This regulation and regulation 4 apply for determining for the purposes of section 107 whether an amount representing the whole or part of the technical provisions made and taken into account in computing for tax purposes the profits of a general insurer other than an underwriting member (see regulation 7(2)) for a period of account was excessive or insufficient, and the amount of the excess or deficiency.

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(a) 2000 c. 17.

(b) 1988 c. 1.

(c) 1985 c. 6; Schedule 9A was inserted by S.I. 1991/2705 and substituted by S.I. 1993/3246.

(d) 1996 c. 8.

(2) In the following provisions of this regulation and regulation 4—

“the balance sheet date” means the end of the earlier period of account (as the latter expression is defined in paragraph (3));

“the recalculation date” means the end of the later period of account (as the latter expression is defined in paragraph (3)); and

“taken into account” means taken into account in computing for tax purposes the profits of the general insurer’s trade for the relevant period of account;

and expressions which are used in Schedule 9A have the same meanings as in that Schedule.

(3) As at the end of each period of account which begins on or after 1st January 2001 (and the period which is relevant to the calculation in question is referred to as “the later period of account”), recalculate the provisions for claims outstanding made and taken into account for each earlier period of account which—

(a) began on or after 1st January 2000, and

(b) ended not more than 10 years before the recalculation date,

separately for each such period (and the earlier period which is relevant to the calculation in question is referred to as “the earlier period of account”). The recalculation shall be made in accordance with the following rules.

#### *Rule 1*

1.1. Subject to regulation 5, the calculation under Rules 2 to 9 shall be carried out in sterling, and the sterling discount rate in paragraph (a) of Rule 5.4. shall apply.

#### *Rule 2*

2.1. Find out the amount of the provisions for claims outstanding made and taken into account for the earlier period of account which—

(a) where the earlier period of account is either—

(i) the general insurer’s first period of account which began on or after 1st January 2000, or

(ii) the general insurer’s first period of account which ended not more than 10 years before the recalculation date,

was provision which was made and taken into account for that period, or

(b) in any other case, was provision made and taken into account for that period for liabilities which (according to their treatment in the statutory accounts of the general insurer) arose in respect of that period.

2.2. The result of this Rule is referred to as “the original provisions for the earlier period of account”.

#### *Rule 3*

3.1. In relation to the original provisions for the earlier period of account, find out (subject to Rule 4) the cost of settling the liabilities to which the provisions relate, including the amount of—

(a) claims paid (gross amount, less reinsurer’s share), between the balance sheet date and the recalculation date, (calculated in accordance with Note 4 on the profit and loss account format in section B of Chapter I of Part I of Schedule 9A, but as if the references to the addition and deduction of provisions for claims were omitted),

(b) bonuses and rebates (if any), net of reinsurance (calculated in accordance with Note 5 on that profit and loss account format),

(c) premiums (if any) paid, or treated as paid, between the balance sheet date and the recalculation date, under a reinsurance to close contract or qualifying contract, and

(d) provisions (if any) for claims outstanding, net of reinsurance, which are carried forward as at the recalculation date (calculated in accordance with paragraphs 43 and 47 of Schedule 9A), and which are taken into account for the later period of account.

3.2. Any such payment, bonus, rebate, deemed payment or provision is referred to in Rule 5 (except in paragraph (a) of Rule 5.2.) as a “liability”.

#### *Rule 4*

4.1. This Rule applies where, on or after the date on which these Regulations come into force—

- (a) a general insurer which is a company (“the general insurer”) enters into a qualifying contract, other than a reinsurance to close contract, with another person (“the reinsurer”), and
- (b) (i) the general insurer and the reinsurer are connected companies, or  
(ii) in any other case, the qualifying contract is or forms part of a transaction or series of transactions, as a result of which a company connected with the general insurer (“the connected company”) directly or indirectly agrees to meet a liability of the general insurer, or any further liability representing that liability, through any number of such agreements (“the replacement agreements”), and
- (c) in a case falling within paragraph (b)(i) above the reinsurer, or in a case falling within paragraph (b)(ii) above the connected company, is neither—
  - (i) within the charge to corporation tax in respect of income arising from the qualifying contract, or from the relevant replacement agreement, as the case may be, if or assuming that there were such income (within the meaning in section 832(1)), nor
  - (ii) a controlled foreign company, in relation to which paragraph (a) of section 748(1)(a) applies to, or an apportionment under section 747(3)(b) falls to be made regarding, the accounting period in which the qualifying contract is made,

and applies to the extent that the qualifying contract reinsures liabilities represented in technical provisions which the general insurer has previously taken into account.

4.2. Where, or to the extent that, this Rule applies, the qualifying contract shall be ignored for the purposes of Rule 3, and accordingly—

- (a) premiums paid under that contract shall be ignored for the purposes of paragraph (c) of Rule 3.1., and
- (b) the claims paid, bonuses and rebates and provisions for claims for the purposes of paragraphs (a), (b) and (d) of Rule 3.1. shall be calculated without deduction for reinsurance, so that each such liability shall be calculated gross.

#### *Rule 5*

5.1. Discount the amount of each liability as defined in Rule 3 to the present value of the liability as at the balance sheet date, by the application of a discount factor, reflecting the time value of money between the balance sheet date and the date of payment of the liability (the period between those dates being referred to as “the discount period”), subject to Rule 5.2.

5.2. The discount period for any liability shall not extend later than 10 years after—

- (a) the date on which the corresponding liability to which the provisions relate (as referred to in Rule 3.1. in the words preceding paragraph (a)) arose (within the meaning in paragraph (b) of Rule 2.1.), or
- (b) the end of the general insurer’s first period of account which began on or after 1st January 2000,

whichever is the later.

5.3. It shall be assumed for the purposes of this calculation that the provisions mentioned in paragraph (d) of Rule 3.1. were a single payment made by the general insurer on the recalculation date.

5.4. The discount rate for the whole of the discount period to be used in calculating the discount factor shall be determined as follows—

- (a) in a case where the sterling discount rate is to apply (see Rule 1), the discount rate shall be found from the formula—  
$$(A - 2.3 \text{ per cent.}), \text{ or nil per cent., whichever is the greater;}$$

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(a) Section 748(1) was amended by paragraph 3 of Schedule 17 to the Finance Act 1998 (c. 36).

(b) Section 747(3) was amended by paragraph 1 of Schedule 17 to the Finance Act 1998.

- (b) in a case where a foreign currency discount rate is to apply (see regulation 5), the discount rate shall be found from the formula—

$(A - 2.3 \text{ per cent.}) + (B - C)$ , or nil per cent., whichever is the greater.

5.5. In this Rule—

A is the average of the gross redemption yields, expressed as a percentage, applicable to 5-year British Government Stocks as compiled by the Financial Times, the Institute of Actuaries and the Faculty of Actuaries, which were compiled for each of the first five business days beginning with the day on which the balance sheet date fell or, if that day was not a business day, the first business day thereafter;

B is the London Interbank Offered Rate, in the market which exists between banks in London for the purpose of borrowing and lending funds and dealing in currencies, at which deposits for a term of 12 months were offered in the relevant foreign currency on the day on which the balance sheet date fell (or if that day was not a business day, the first business day thereafter) as determined by the British Banking Association; and

C has the same meaning as B, but with the word “sterling” substituted for the words “the relevant foreign currency”.

5.6. The discount shall in principle be computed separately for each liability, save that statistical methods may be used where they may be expected to give approximately the same result as individual calculations.

5.7. Aggregate the discounted liabilities and the result is referred to as “the recalculated provisions” for the earlier period of account.

*Rule 6*

6.1. Compare the difference between—

- (a) the original provisions for the earlier period of account, and
- (b) the recalculated provisions for the earlier period of account,

with a margin for error of 5 per cent. of the recalculated provisions for the earlier period of account.

*Rule 7*

7.1. If the amount of the difference does not exceed the margin for error, the difference is assumed to be nil, for the purposes of that period’s recalculation.

7.2. If the amount of the difference exceeds the margin for error, deduct the margin for error from the difference, for the purposes of that period’s recalculation.

7.3. The result of Rule 7 represents the cumulative excess or deficiency found from the recalculation under this regulation—

- (a) in the later period of account, and
- (b) in any periods of account which fell between the earlier period of account and the later period of account (“intervening periods”),

in relation to the same earlier period of account.

*Rule 8*

8.1. Compare—

- (a) the result of Rule 7, with
- (b) the aggregate excess or deficiency found by combining the results of the recalculation under this regulation in any intervening periods in relation to—
  - (i) in a case falling within paragraph (a)(ii) of Rule 2.1., the same earlier period of account or (in relation to the same liabilities) any previous period of account, and
  - (ii) in any other case, the same earlier period of account,

and find out the adjustment (if any) to the amount mentioned in paragraph (b) above which is necessary to make it equal the amount mentioned in paragraph (a) above. If the adjustment is an excess, that is the amount of the excess referred to in section 107(2). If the adjustment is a deficiency, that is the amount of the deficiency referred to in section 107(3).

8.2. Where there has been no intervening period (as mentioned in paragraph (b) of Rule 7.3.), or the result of paragraph (b) of Rule 8.1. is neither an excess nor a deficiency, the result of Rule 7 shall be the amount of the excess referred to in section 107(2), or the amount of the deficiency referred to in section 107(3), as the case may be.

#### *Rule 9*

9.1. Interest shall be calculated on the amount of the result of Rule 8, at the rate specified in Regulation 3ZA(1) of the Taxes (Interest Rate) Regulations 1989(a)—

(a) but as if there were deducted therefrom corporation tax at the rate fixed for companies generally (within the meaning in section 13(1) of the Taxes Act(b)) for the later period of account, and

(b) save that the rate of interest is a compound rate, with annual rests, from the date when corporation tax for the earlier period of account became due and payable until the date when corporation tax for the later period of account becomes due and payable (in both cases, determined in accordance with section 59D of the Taxes Management Act 1970(c), treating those periods as if they were accounting periods).

9.2. Where the later period of account falls in more than one financial year, the rates of corporation tax for those financial years shall be apportioned to the later period of account on a daily basis.

9.3. The amount of interest so calculated is the amount to be treated as a receipt or an expense, as the case may be, in accordance with section 107, and is the amount of a receipt or expense, as the case may be, referred to, or to be taken into account in a computation of profits and losses under, sections 92 to 94 of the Finance Act 1993(d), in a case where those sections apply.

#### *Rule 10*

10.1. No amount representing provisions for unearned premiums or provisions for unexpired risks shall be determined as excessive or insufficient for the purposes of section 107.

### **Provisions supplementing regulation 3**

4.—(1) Paragraph (2) applies where a general insurer (“the transferor”) transfers the whole or part of its general business to another body (“the transferee”) by—

(a) a transfer which is approved by the Treasury under Part II of Schedule 2C to the Insurance Companies Act 1982(e), or

(b) a transfer to which section 52B of that Act(f) (effect of transfers authorised in other EEA States) applies,

on or after the date on which these Regulations come into force.

(2) Where this paragraph applies, the transferor and the transferee shall be treated for the purposes of section 107(g) and regulation 3 as if—

(a) technical provisions made and taken into account by the transferor, so far as they relate to the general business transferred, had been made and taken into account by the transferee, and

(b) any other act or thing mentioned in Rules 1 to 9 in regulation 3(3) and regulation 5 which was done to or by the transferor, so far as it relates to the general business transferred, had been done to or by the transferee.

(3) Where Rule 4 in regulation 3(3) would apply but for the condition in paragraph (c) of Rule 4.1. not being satisfied, in a case falling within paragraph (b)(i) of Rule 4.1. the reinsurer, and in a case falling within paragraph (b)(ii) thereof the connected company (and the relevant person is referred to as “the transferee”), and the general insurer (as defined in that Rule), shall be treated for the purposes of section 107 and regulation 3 as if—

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(a) S.I. 1989/1297; regulation 3ZA was inserted by regulation 6 of S.I. 1998/3176.

(b) Section 13(1) was amended by section 105(1) of the Finance Act 1989 (c. 26).

(c) 1970 c. 9; section 59D was substituted by paragraph 29 of Schedule 19 to the Finance Act 1998.

(d) 1993 c. 34; sections 92 to 94 were substituted by section 105 of the Finance Act 2000 (c. 17).

(e) 1982 c. 31; Schedule 2C was inserted by Schedule 3 to S.I. 1994/1696.

(f) Section 52B was inserted by regulation 30 of S.I. 1994/1696.

(g) 2000 c. 17.

- (a) technical provisions made and taken into account by the general insurer, so far as they relate to the liabilities reinsured, had been made and taken into account by the transferee,
- (b) premiums paid under the contract were ignored, and
- (c) any other act or thing mentioned in Rules 1 to 9 in regulation 3(3) and regulation 5 which was done to or by the general insurer, so far as it relates to the liabilities reinsured, had been done to or by the transferee.

### **Currency elections**

5.—(1) Subject to the following paragraphs of this regulation, the general insurer may make an election, in relation to the provisions for an earlier period of account which are to be recalculated under section 107, that—

- (a) the calculations should be carried out in a currency other than sterling, and
- (b) a foreign currency discount rate shall be applied under paragraph (b) of Rule 5.4. in regulation 3(3),

and that currency and discount rate shall, to the extent mentioned in paragraph (4), apply to all calculations in all later periods of account, in so far as the earlier period of account is the relevant earlier period referred to in regulation 3(3).

(2) An election may be made where—

- (a) any liabilities, to which a provision for claims outstanding relates, are denominated in any of the following currencies, or
- (b) the accounting currency is any of those currencies,

where the currencies mentioned are United States dollars, Canadian dollars, Australian dollars, euro, Swiss francs or Japanese yen (and the currency in question is referred to as “the relevant foreign currency”).

(3) In this regulation, “the accounting currency” means—

- (a) the currency determined in accordance with sections 92 to 94 of the Finance Act 1993 (where those sections apply) in which the profits and losses of the general insurer’s business for the later period of account fall to be computed and expressed, or
- (b) in a case in which the relevant liability relates to a part of that business which is treated as a separate business by section 93(6) of that Act, the currency so determined for that period for that part of the business.

(4) Where an election is made, the calculation under Rules 2 to 9 in regulation 3(3) in respect of—

- (a) the whole of the liabilities denominated in the relevant foreign currency, in a case falling within paragraph (2)(a), or
- (b) the whole of the liabilities of the business, or of the part of a business referred to in paragraph (3)(b), as the case may be, in a case falling within paragraph (2)(b),

shall be carried out in the relevant foreign currency, and a foreign currency discount rate in paragraph (b) of Rule 5.4. shall apply to those liabilities.

(5) An election shall relate to a single earlier period of account, and for each period—

- (a) an election may be made under either paragraph (2)(a) or (b) but not both, but
- (b) in a case within paragraph (2)(a), may be made, or not made, separately in relation to each such foreign currency, and
- (c) in a case within paragraph (2)(b), may be made, or not made, separately in relation to each part of a business referred to in paragraph (3)(b).

(6) An election may be made during the period mentioned in regulation 8(1) (that is, the period of two years following the earlier period of account), or in a case falling within paragraph (2) of regulation 8, that period as extended by that paragraph.

(7) Where any calculations in relation to a later period of account have been made before an election, any necessary recalculations shall be done.

(8) An election may (subject to this regulation) be varied or withdrawn at any time in the period during which it could have been made.

## **Excluded descriptions of general insurer**

6. The descriptions of general insurer which are excluded from the operation of section 107(1) to (4) are—

- (a) a company which has gone into insolvent liquidation (within the meaning in section 214(6) of the Insolvency Act 1986<sup>(a)</sup> (“the Act”) or Article 178(6) of the Insolvency (Northern Ireland) Order 1989<sup>(b)</sup> (“the Order”), where the exclusion takes effect from the date on which it goes into liquidation (within the meaning in section 247(2) of the Act or Article 6(2) of the Order);
- (b) a company in relation to which an administration order has been made under section 8 of the Act or Article 21 of the Order;
- (c) a company in respect of which a provisional liquidator has been appointed under section 135 of the Act or Article 115 of the Order; and
- (d) a company in respect of which a relevant arrangement or compromise (within the meaning in section 74(2) of the Taxes Act<sup>(c)</sup>) has taken effect.

## **“Technical provisions” in relation to an underwriting member**

7.—(1) “Technical provisions” in relation to an underwriting member and the premium paid or treated as paid by him under a reinsurance to close contract means—

- (a) where the member is a continuing member, that is, a member not only of the syndicate as a member of which he pays, or is treated as paying, the premium (“the reinsured syndicate”) but also of the syndicate as a member of which he receives or is treated as receiving it or part of it (“the reinsurer syndicate”), so much of the premium as equals—
  - (i) the amount of the premium which he pays or is treated as paying, or
  - (ii) the amount of the premium which he receives or is treated as receiving, whichever is the lesser (subject to sub-paragraph (b)); and
- (b) where the member is not entitled to participate in the underwriting business of the reinsurer syndicate, or his entitlement to participate in either of the reinsured syndicate or the reinsurer syndicate is less than 4 per cent. of the whole, none of the premium.

(2) Regulations 3 to 5 shall apply to—

- (a) any premium or part of a premium treated as “technical provisions” by paragraph (1)(a), with the modifications to regulation 3(3) contained in paragraphs (3) to (6), and
- (b) any provisions or part of provisions treated as “technical provisions” by paragraph (8), with the modifications contained in paragraphs (3), (4), (5)(c), (6) and (7).

(3) In regulation 3(3) in the words preceding sub-paragraph (a), for the reference to provisions for claims outstanding there shall be substituted a reference to technical provisions.

(4) In Rule 2—

- (a) for the reference to provisions for claims outstanding, there shall be substituted a reference to technical provisions, and
- (b) for paragraph (b) of Rule 2.1. there shall be substituted—

“(b) in any other case, was provision for liabilities arising directly from the underwriting member’s membership of one or more syndicates, whose closing year was the year immediately preceding the earlier period of account, but excluding liabilities which the member acquired by means of a reinsurance to close contract, the premium for which was treated as a technical provision for the same member for that preceding year.”.

(5) In Rule 3—

- (a) in paragraph (a) “claims paid” shall be construed as a reference to claims paid by the member in consequence of his membership of the reinsurer syndicate or of any further syndicate which, directly or indirectly, reinsures the liabilities to which the provisions relate under any further reinsurance to close contracts;

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(a) 1986 c. 45.

(b) S.I. 1989/2405 (N.I. 19).

(c) Section 74(2) was inserted by section 144(2) of the Finance Act 1994 (c. 9).

- (b) where any claim, bonus, rebate or premium was paid by the member as a member of the reinsurer's syndicate, the payment shall be treated for the purposes of Rules 3 and 5 as made one year later than the date of the actual payment; and
  - (c) in Rule 3.1.(d) for the reference to provisions for claims outstanding, there shall be substituted a reference to provisions made for the unpaid liabilities of the reinsurer syndicate where it is an open syndicate.
- (6) In regulation 5—
- (a) in paragraph (2), for sub-paragraphs (a) and (b) there shall be substituted a reference to the currency other than sterling in which, under the rules or practice of Lloyd's, the syndicate accounting records relating to the relevant transaction are required to be maintained, being any of the currencies which follow; and
  - (b) in paragraph (4), for sub-paragraphs (a) and (b) there shall be substituted a reference to the whole of the transactions whose records are to be maintained in the relevant foreign currency.
- (7) The modification contained in this paragraph is the modification to Rule 3 in paragraph (5)(b) omitting the words “as a member of the reinsurer syndicate”.
- (8) “Technical provisions” in relation to an underwriting member and the provisions made for the unpaid liabilities of an open syndicate of which he is a member means—
- (a) where the member's entitlement to participate in the underwriting business of the open syndicate is equal to or more than 4 per cent. of the whole, the share of those provisions which corresponds to his proportionate entitlement; and
  - (b) in any other case, none of the provisions.
- (9) In determining a member's entitlement to participate in the business of a syndicate, or share of a premium, for the purposes of paragraphs (1) and (8), there shall be attributed to a member which is a company any entitlement to participate in the relevant syndicate of any company which is connected with the member.
- (10) In a case falling within the provisions of both paragraphs (1) and (9), where—
- (a) there is a change in the entitlement of a company to participate, as between the reinsured syndicate and the reinsurer syndicate, such that,
  - (b) the reinsurance to close contract has the same financial effect as if a liability were transferred from that company to a company connected with it,
- the provisions of regulation 4(2)(a) and (b) shall to that extent apply, as if there were a transfer of business between those companies.
- (11) A syndicate's managing agent (within the meaning in Chapter III of Part II of the Finance Act 1993(a)) shall, on request from a member or former member of the syndicate, provide the member with the information which he needs, and which is within the agent's possession or power, to make a recalculation under regulation 3 (as applied by paragraph (2)) in relation to his proportionate entitlement in the syndicate.

#### **Elections under section 107(4), or paragraph 4(2) of Schedule 24 to the Taxes Act**

**8.—(1)** The period during which a general insurer may make an election in accordance with subsection (4) of section 107(b) is the period of two years immediately succeeding the period of account first mentioned in that subsection, subject to paragraph (2).

(2) Where a general insurer delivers a tax return based wholly or partly on accounts drawn up using the method described in paragraph 52 of Schedule 9A(c) (which provides for a technical provision to be made in the accounts which is later replaced by a provision for estimated claims outstanding) the period in paragraph (1) is extended until two years from the date on which the provision was replaced.

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(a) 1993 c. 34.

(b) 2000 c. 17.

(c) 1985 c. 6; Schedule 9A was inserted by S.I. 1991/2705 and substituted by S.I. 1993/3246.



(3) Where a general insurer which is a controlled foreign company draws up accounts using a method falling within section 755B(2)(a), the period of twenty months mentioned in paragraph 4(2) of Schedule 24 to the Taxes Act (elections by a United Kingdom resident company or companies) shall be extended until two years immediately following the close of the underwriting year (within the meaning in section 754AA(1)(b)).

**Generally**

9. For the purposes of any computation under these Regulations any necessary apportionments shall be made and the method of apportionment adopted shall, subject to the express provisions of these Regulations, be just and reasonable.

8th May 2001

*Nick Montagu*  
*Tim Flesher*  
Two of the Commissioners of Inland Revenue

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(a) Section 755B was inserted by paragraph 14 of Schedule 17 to the Finance Act 1998 (c. 36).  
(b) Section 754AA was treated as inserted by regulation 4 of S.I. 1999/1408.

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations supplement section 107 of the Finance Act 2000 (c. 17), which provides that where it becomes apparent in a period of account that technical provisions made by a general insurer for an earlier period were excessive, or insufficient, an amount is to be treated as added (as an “end of period adjustment”) as a receipt or expense, respectively, of the general insurer’s trade in the later period, for tax purposes. The principal effects of these Regulations are (1) to provide the method of calculating whether the technical provisions were excessive or insufficient (2) to provide for the currencies in which the calculations, including the discount rate, are to be carried out, and (3) to provide for modifications of those rules where they apply to underwriting members.

Regulation 1 provides for citation, commencement and effect, and regulation 2 for definitions.

Regulation 3 provides for the method of calculation of the additional receipt or expense.

Regulation 4 provides for transfers of a general insurer’s business, and arrangements between connected persons.

Regulation 5 provides for elections for the currency in which the calculations are to be made, and related discount rates.

Regulation 6 excludes certain companies undergoing insolvency procedures from the definition of “general insurer”.

Regulation 7 provides for the modifications to the rules of underwriting members.

Regulation 8 provides for the timing of elections under section 107(4) of the Finance Act 2000, and Schedule 24 to the Income and Corporation Taxes Act 1988 (c. 1).

Regulation 9 provides an apportionment rule for calculations under the Regulations.

Authority for the retrospective effect of these Regulations is conferred by section 107(12) of the Finance Act 2000.



**2001 No. 1757**

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