

SCHEDULE

EXPENSES OF COMPANIES WITH INVESTMENT BUSINESS AND INSURANCE COMPANIES

Finance Act 1989

Policy holder's share of profits

46.—(1) Section 89 of the Finance Act 1989(1) is amended as follows.

(2) In subsection (1B) (BLAGAB profits to be income and chargeable gains referable to company's basic life assurance and general annuity business reduced by aggregate amount of the items in the paragraphs) for the words from paragraph (a) to the end of the subsection substitute—

“(a) amounts falling in respect of any non-trading deficits on the company's loan relationships to be brought into account in that period in accordance with paragraph 4 of Schedule 11 to the Finance Act 1996, and

(b) the basic deduction given by Step 8 in section 76(7) of the Taxes Act 1988.”.

(3) In subsection (7), in the definition of “Case I profits” (which refers to adjustment in respect of losses in accordance with section 76(2C) and (2D) of the Taxes Act 1988) for “section 76(2C) and (2D)” substitute “the second sentence of section 76(10)”.

(1) Subsection (1B) was inserted by paragraph 6 of Schedule 33 to the Finance Act 2003, and subsection (7) was inserted by article 58 of S.I.2001/3629 and amended by paragraph 7 of Schedule 33 to the Finance Act 2003.