

**2006 No. 112**

**INCOME TAX**

**CORPORATION TAX**

**The Lloyd's Underwriters (Conversion to Limited Liability Underwriting) (Tax) Regulations 2006**

*Made* - - - - 23rd January 2006  
*Laid before the House of Commons* 24th January 2006  
*Coming into force* - - 14th February 2006

The Commissioners for Her Majesty's Revenue and Customs, in exercise of the powers conferred by section 182(1)(b) of the Finance Act 1993(a) and now vested in them(b), and having regard to the relevant changes in the rules or practice of Lloyd's, make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Lloyd's Underwriters (Conversion to Limited Liability Underwriting) (Tax) Regulations 2006 and shall come into force on 14th February 2006.

**Amendment of Schedule 20A to the Finance Act 1993**

2. In Schedule 20A to the Finance Act 1993(c), in paragraph 8, for the definition of "successor partnership" substitute—

““ successor partnership” means—

- (a) a limited partnership formed under the law of Scotland which is a successor member, or
- (b) a limited liability partnership formed under the law of any part of the United Kingdom which is a successor member.”.

*David Varney*  
*Michael Hanson*

23rd January 2006

Two of the Commissioners for Her Majesty's Revenue and Customs

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(a) 1993 c. 34.  
(b) The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5 of the Commissioners for Revenue and Customs Act 2005 (c. 11).  
(c) Schedule 20A was inserted by paragraph 3 of Schedule 25 to the Finance Act 2004 (c. 12).

## EXPLANATORY NOTE

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

Under the rules of Lloyd's, an individual member of Lloyd's may transfer his underwriting business to a company or a Scottish limited partnership (known as "conversion" to limited liability underwriting). Schedule 20A to the Finance Act 1993 allows members so converting to carry forward income tax losses and claim CGT rollover relief on the disposal of certain business assets. A Scottish limited partnership which takes over an individual's underwriting business on such a conversion is defined in Schedule 20A to the Finance Act 1993 as a "successor partnership."

Lloyd's has now amended its membership byelaws to admit limited liability partnerships to membership. These Regulations accordingly amend the definition of "successor partnership" to include limited liability partnerships.

A Regulatory Impact Assessment has not been published for this instrument as it has no significant impact on business, charities or voluntary bodies.

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