

STATUTORY INSTRUMENTS

**2007 No. 1031**

**The Insurance Companies (Corporation  
Tax Acts) (Amendment) Order 2007**

**Amendment of the Finance Act 1989**

**12.**—(1) Amend section 82D (treatment of profits: life assurance – adjustment consequent on change in Insurance Prudential Sourcebook) as follows.

(2) In subsection (1)—

- (a) for “(other than nil)” substitute “(“the relevant amount”);
- (b) for “the first” substitute “a”;
- (c) after “31st December 2006” insert “but before 1st January 2009 (a “relevant period of account”)”.

(3) For subsection (2) substitute—

“(2) In computing profits for the purposes of the Taxes Act 1988 in accordance with the provisions applicable to Case I of Schedule D—

- (a) X shall be added to the closing liabilities of the company for the relevant period of account; and
- (b) XA shall be brought into account as a trading receipt of the company for each subsequent period of account until the total sum of the amounts so brought into account is equal to X (and if that total sum would otherwise exceed X, the excess shall be ignored).

(2A) In applying subsection (2)(b) above no account shall be taken of a period of account which is deemed to exist by virtue of section 444AA(3) of the Taxes Act 1988.

(2B) X is—

- (a) where the relevant period of account ends before 1st April 2007, the whole of the relevant amount;
- (b) where the relevant period of account ends on or after 1st April 2007 but before 1st January 2008, two-thirds of the relevant amount;
- (c) where the relevant period of account ends on or after 1st January 2008, one-third of the relevant amount.

(2C) XA is the amount found by the applying the following formula—

$$\frac{Y}{12} \times X$$

Here—

Y is the number of months in the period of account in question (part of a month being counted as a month); and

Z is—

- (a) where X is the whole of the relevant amount, one-third of X;
- (b) where X is two thirds of the relevant amount, one-half of X;
- (c) where X is one third of the relevant amount, the whole of X.”.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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(4) Omit subsection (3).

(5) For subsection (4) substitute—

“(4) In a case falling within subsection (1)(b) above, the relevant amount shall be reduced (but not below nil) by so much (if any) of the amount shown in paragraph 4(12) of Appendix 9.4 to the periodical return as is reflected in column 1 of line 51 of the Form 14 for that period of account relating to the non-profit fund in question.”.

(6) After subsection (5) add—

“(6) This section is subject to sections 82E and 82F below.”.