STATUTORY INSTRUMENTS

2003 No. 1861

INCOME TAX

The Corporation Tax (Treatment of Unrelieved Surplus Advance Corporation Tax) (Amendment) Regulations 2003

Made - - - -	*17th July 2003*
Laid before the House of Commons	*17th July 2003*
Coming into force - -	*7th August 2003*

The Treasury, in exercise of the powers conferred upon them by section 32 of the Finance Act 1998(**a**), hereby make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Corporation Tax (Treatment of Unrelieved Surplus Advance Corporation Tax) (Amendment) Regulations 2003 and shall come into force on 7th August 2003.

(2) These Regulations have effect in relation to distributions made on or after 9th April 2003 in accounting periods beginning before (as well as accounting periods ending on or after) 7th August 2003.

Amendments to regulation 22 of the Corporation Tax (Treatment of Unrelieved Surplus Advance Corporation Tax) Regulations 1999

2.—(1) Regulation 22 of the Corporation Tax (Treatment of Unrelieved Surplus Advance Corporation Tax) Regulations 1999(**b**) (life assurance companies) is amended as follows.

(2) In paragraph (1) for "The policy holders' share of the franked investment income held in connection with a company's" substitute "So much of the policy holders' share of the franked investment income from investments of a company's long-term insurance fund as is referable to its".

(3) In paragraph (3) after ""life assurance business"" insert "and "long-term insurance fund"".

Jim Murphy
Nick Ainger
17th July 2003 Two of the Lords Commissioners of Her Majesty's Treasury

(**a**) 1998 c. 36. Section 32 was amended by section 91(4) of the Finance Act 1999 (c. 16).
(**b**) S.I. 1999/358.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Corporation Tax (Treatment of Unrelieved Surplus Advance Corporation Tax) Regulations 1999 (S.I. 1999/358) ("the principal Regulations"). The principal Regulations provide for the treatment of unrelieved surplus advance corporation tax arising as a result of the abolition (by virtue of section 31 of the Finance Act 1998 (c. 36)) of advance corporation tax in respect of distributions made by a company on or after 6th April 1999. The amendments are in consequence of amendments made to the legislation governing the taxation of insurance companies by Schedule 33 to the Finance Act 2003 (c. 14).

Regulation 1 provides for citation, commencement and effect. Authority for the retrospective effect of the amendments is given by section 32(11) of the Finance Act 1998.

Regulation 2 amends regulation 22 of the principal Regulations (life assurance companies).

£1.50

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under the authority and superintendence of Carol Tullo, Controller of Her Majesty's
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E1065 07/2003 131065 19585

ISBN 0-11-046916-X

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