EXPLANATORY MEMORANDUM TO THE

THE INSURANCE COMPANIES (OVERSEAS LIFE ASSURANCE BUSINESS) (EXCLUDED BUSINESS) (AMENDMENT) REGULATIONS 2004

S.I. 2004 No. 3274

1. This explanatory memorandum has been prepared by the Commissioners of Inland Revenue and is laid before the House of Commons by Command of Her Majesty.

2. Description

2.1 The regulations amend the Insurance Companies (Overseas Life Assurance Business) (Excluded Business) Regulations 2000 to update references to provisions of the Income and Corporation Taxes Act 1988 (ICTA) relating to pension schemes and contributions, by including a reference to the corresponding provisions of the Income tax (Earnings & Pensions) Act 2003 (ITEPA) and to the references to the treatment of pension schemes in Finance Act 2004.

3. Matters of Special interest to the Select Committee on Statutory Instruments

3.1 None.

4. Legislative Background

4.1 These regulations are being made under powers conferred by section 431D ICTA 1988.

5. Extent

5.1 The instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 These regulations are subject to annulment and do not amend primary legislation.

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7. Policy Background

7.1 The Insurance Companies (Overseas Life Assurance Business) (Excluded Business) Regulations 2000 determine what business of a life assurance company is entitled to be overseas life assurance business. Among the classes of business so entitled are business with the managers of certain overseas pension schemes. The regulations provide the those schemes which are approved by the Board of Inland Revenue under provisions in ICTA 1988 are automatically treated as overseas life assurance business.

The relevant provisions were re-enacted by ITEPA 2003 and replaced by Schedule 33 Finance act 2004.

8. Impact

8.1 A Regulatory Impact Assessment has not been published for this instrument.

8.2 The regulations will have no impact on the public sector.

9. Contact

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