

Amendment	Page	Line
*125	385	8

Mr Chancellor of the Exchequer

Amendment 125

Page **385**, [*Schedule 33*], leave out lines 8 to 11 and insert “The policy holders’ share of the franked investment income from investments 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 section 441(1) and (2) of the Taxes Act 1988 (overseas life assurance business), omit “and section 441A”.

EXPLANATORY NOTE

SUMMARY

1. This amendment modifies the way franked investment income is excluded from a calculation of marginal small companies relief of a company carrying on life assurance business; and corrects a typographic error

DETAILS

2. The amendments modify paragraph 11(2) of Schedule 33 to the Bill by substituting words that limit that amount of franked investment income (“FII”) (that is distributions from UK companies plus any tax credit attaching to them) that is taken into account in computing marginal small companies relief under section 13 of the Income and Corporation Taxes Act 1988 (“ICTA”). As published the Bill would have excluded any FII referable to non-life business – this was an unintended change from the previous position.
3. The amendment also amends paragraph 11(3) to correct a typo. The sub-paragraph as published appear to omit a reference to

**BOARD OF INLAND REVENUE
RESOLUTION 43**

**FINANCE BILL 2003
REPORT
SCHEDULE 33**

section 441A ICTA twice in the same subsection of section 441. But although there are two references to section 441A (which was repealed in 1999) in section 441, they are in different subsections ((1) and (2)).