

**EXPLANATORY NOTE**

**CLAUSE 40 SCHEDULE 17: INSURANCE COMPANIES  
ETC: AMENDMENTS 111 & 112**

**SUMMARY**

1. These two amendments make minor tidying-up changes in advance of the first Bill of the Tax Law Rewrite of corporation tax.

**DETAILS**

2. Following the repeal of section 438 of the Income and Corporation Taxes Act 1988 (ICTA) by Finance Act 2007, the regulation-making power in section 737D ICTA is no longer required.
3. Amendment 111 repeals section 737D, and provides for consequential amendments to other Acts. The existing regulations will cease to have effect.
4. Amendment 112 makes explicit that which was clearly implicit, that for the purposes of all of the provisions relating to tax relief for expenditure on research and development, an insurance company, whatever its

size, is treated as a large company, and does not qualify as a small or medium-sized enterprise.

5. Amendments 111 and 112 take effect from the date when Finance Bill 2008 gets Royal Assent.