

Govt 90 + Govt 92 + Govt 94 + Govt 95 + Govt 96

Mr. Stephen Timms (Lab. East Ham)

Government Amendment 90

Schedule 10, page 159, line 22, leave out from beginning to end of line 10 on page 163 and insert—

‘Contingent loans

- 11 In section 83ZA(4) of FA 1989 (contingent loans), for “the end of the” substitute “any time during a”.’.

Government Amendment 92

Schedule 10, page 170, line 33, leave out ‘amendments made by paragraph 1 to 3’ and insert ‘amendment made by paragraph 1 has effect on and after 10th May 2007.

() The amendments made by paragraphs 3,’.

Government Amendment 94

Schedule 27, page 293, line 38, column 2, leave out ‘2(2) to (5),’ and insert ‘2(2) and (3) to (5),’.

Government Amendment 95

Schedule 27, page 294, line 44, column 2, leave out ‘3,’.

Government Amendment 96

Schedule 27, page 294, column 2, leave out line 49.

EXPLANATORY NOTE

Govt 90 + Govt 92 + Govt 94 + Govt 95 + Govt 96

SUMMARY

1. These amendments remove paragraphs 1 and 2 from Schedule 10 which introduced new rules for dealing with loans financing an insurance company's operations, and replace them with an amendment to the existing rule.

DETAILS

2. Paragraph 1 of Schedule 10 inserts a new section 83ZA to 83ZC into Finance Act 1989. This replaces a previous version of section 83ZA which contains a major flaw. In response to representations that paragraph 1 needed further time for consultation and to be aligned with new rules on reinsurance and other forms of financing, paragraphs 1 and 2 of Schedule 10 (which contained consequential amendments) have been omitted from the Schedule. Government amendment 90 does that and inserts in its place a new paragraph 1 which corrects the flaw in the existing section 83ZA. Government amendment 92 amends the commencement rules in paragraph 18 of Schedule 10 accordingly, so that amendment to existing section 83ZA has effect from 10th May.
3. Government Amendments 94, 95 and 96 simply deal with consequential repeals in Schedule 27.