HMRC - IPT07635 - Insurance Premium Tax: Payments In Advance

Payments made a short time in advance of the tax point under the premium written basis do not affect the tax point.

Example 5

Insurer using legal tax point (see IPT07620).

Payment actually received on 1 July.

Entry made on 10 July.

Premium shown as due on 7 July.

Tax point - 7 July. In those situations where payments are made more than 14 days before an insurer, using the special accounting scheme creates a tax point the insurer could be affected by arrangements intended to deal with undue delays in bringing tax to account. These are dealt with in

IPT07645.

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