HMRC - IPT07655 - Insurance Premium Tax: Accounting For Tax On Leaving The Scheme

Regulation 28 deals with the arrangements for accounting for IPT when an insurer leaves the special accounting scheme. It says:

(1) Where the scheme has ceased to apply to an insurer by virtue of regulation 26 or 27, he shall account for and pay any tax chargeable on premiums in relation to which the date of receipt falls within a relevant accounting period and for which he has not accounted and which he has not paid in reliance upon the assumption referred to in regulation 23(5) as if the premiums were received in the accounting period with effect from which the scheme has ceased to apply to him.

(2) Where the Commissioners have cancelled the registration of an insurer and the last of his accounting periods is a relevant accounting period, paragraph (1) above shall apply as if-

(a) the scheme had ceased to apply to him by virtue of regulation 26 or 27; and

(b) the reference to the accounting period with effect from which the scheme has ceased to apply to him were a reference to the last of his accounting periods.

The effect of Regulation 28(1) is to require an insurer who leaves or is expelled from the scheme to bring to account the tax due on all premiums received during (or prior to) the period in which the insurer leaves the scheme. Regulation 28(2) means that the insurer must account for all the tax due on all premiums received on his final return.

Previous page

Next page