

EXPLANATORY MEMORANDUM TO
THE INSURANCE PREMIUM TAX (AMENDMENT) REGULATIONS 2006
2006 No. 2700

1. This explanatory memorandum has been prepared by the Commissioners for Her Majesty's Revenue and Customs and is laid before the House of Commons by Command of Her Majesty.

2. **Description**

These Regulations, which come into force on 1st December 2006, amend the Insurance Premium Tax Regulations 1994 (S.I. 1994/1774) ("the principal Regulations) by substituting the form numbered 1 in the Schedule to those Regulations by the form in the schedule to these Regulations,

3. **Matters of special interest to the Select Committee on Statutory Instruments**

None

4. **Legislative Background**

4.1 Insurance Premium Tax (IPT) was introduced by the Finance Act 1994 ("FA 1994") (c.9). Section 53(1) of the FA 1994 provides that a person who receives, as insurer, premiums in the course of a taxable business and is not registered, is liable to be registered.

4.2 Section 53(2) of the FA 1994 provides that a person who at any time forms the intention of receiving, as insurer, premiums in the course of a taxable business must notify the Commissioners of that fact. Under section 53(6)(c) provision may be made in regulations as to the form and manner in which any such notification is to be made and as to the information to be contained in or provided with it.

4.3 Section 53AA of the FA 1994 contains similar provisions in relation to the registration of taxable intermediaries.

4.4 Regulation 4(1) and, in the case of taxable intermediaries, regulation 4A(1), of the principal Regulations provide that notification of liability to register must be made on the form numbered 1 in the Schedule to the Regulations. This is form IPT 1.

4.5 A number of references on form IPT 1 are to a Public Notice IPT 1, *Registering for IPT*, which is no longer extant and has been replaced by a new Notice IPT 1, *Insurance Premium Tax*. Consequently, the registration form IPT 1 is to be amended accordingly. This instrument substitutes the form reproduced in the Schedule to the principal Regulations with the revised form.

5. Extent

This instrument applies to all of the United Kingdom

6. European Convention on Human Rights

As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required

7. Policy background

Public Notices IPT 1, *Registering for IPT*, and IPT 2, *A General Guide to IPT*, were amalgamated in March 2002 into a single Notice IPT 1, *Insurance Premium Tax*. The IPT registration form IPT 1 contains references to the former Notice and needs to be amended to refer to the current Notice. Because form IPT 1 is reproduced as form numbered 1 in the Schedule to the principal Regulations it is necessary to amend those Regulations.

8. Impact

8.1 Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 There is no impact on the public sector.

9. Contact

Barbara Farndell in the Financial Services (VAT & IPT) Team HMRC Tel: 0207 147 0245 or e-mail: barbara.farndell@hmrc.gsi.gov.uk can answer any queries regarding the instrument.