



**Isle of Man**  
Government

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## **INCOME TAX DIVISION**

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## **PRACTICE NOTE**

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**PN 37/92**

**Date: 23<sup>rd</sup> March 1992**

### **Lloyds Underwriters - Provisional Losses**

#### **Introduction**

In recent years a number of Lloyds Underwriters have suffered large losses which has resulted in similarly large cash calls by the various syndicates they have invested in. It takes a considerable length of time for the UK Inland Revenue to agree the aggregate losses and it is often more than 3 years before the true liability to Manx income tax can be determined. In the meantime the taxpayer may have been assessed without any provision being made for any Lloyds Underwriting profits or losses.

#### **Revised Procedure**

With effect from 1st April 1992 provisional losses for Lloyds Underwriters will be concessionally allowable if the following conditions are met:-

1. All other years currently outstanding must be brought up to date, even if only provisional figures of profits or losses are used.
2. Agents and/or taxpayers must provide details of anticipated recoveries from either Special Reserve Funds or Stop Loss policy payments.
3. Any claims for provisional loss relief should be made in accordance with the provisions of the Income Tax (Loss Relief) Regulations 1987. When any losses are finally determined a revised claim for loss relief can be made.
4. Claims are substantiated by the appropriate documentation from the taxpayer's Underwriting Agent.