



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART VI

COMPANIES, OIL, INSURANCE ETC.

CHAPTER III

INSURANCE

[^{F1}210 Life assurance and deferred annuities.

- (1) This section has effect in relation to any policy of insurance or contract for a deferred annuity on the life of any person.
- (2) A gain accruing on a disposal of, or of an interest in, the rights conferred by the policy of insurance or contract for a deferred annuity is not a chargeable gain unless subsection (3) below applies.
- (3) This subsection applies if—
 - (a) (in the case of a disposal of the rights) the rights or any interest in the rights, or
 - (b) (in the case of a disposal of an interest in the rights) the rights, the interest or any interest from which the interest directly or indirectly derives (in whole or in part),have or has at any time been acquired by any person for actual consideration (as opposed to consideration deemed to be given by any enactment relating to the taxation of chargeable gains).
- (4) For the purposes of subsection (3) above —
 - (a) (in the case of a policy of insurance) amounts paid under the policy by way of premiums, and
 - (b) (in the case of a contract for a deferred annuity) amounts paid under the contract, whether by way of premiums or as lump sum consideration,do not constitute actual consideration.

Status: Point in time view as at 27/05/2011.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 210 is up to date with all changes known to be in force on or before 16 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (5) And for those purposes actual consideration for—
- (a) a disposal which is made by one spouse [^{F2}or civil partner] to the other or is an approved post-marriage disposal [^{F3}or an approved post-civil partnership disposal], or
 - (b) a disposal to which section 171(1) applies,
is to be treated as not constituting actual consideration.
- (6) For the purposes of subsection (5)(a) above a disposal is an approved post-marriage disposal [^{F4}or an approved post-civil partnership disposal] if—
- (a) it is made in consequence of the dissolution or annulment of a marriage [^{F5}or civil partnership] by one person who was a party to the marriage [^{F5}or civil partnership] to the other,
 - (b) it is made with the approval, agreement or authority of a court (or other person or body) having jurisdiction under the law of any country or territory or pursuant to an order of such a court (or other person or body), and
 - (c) the rights disposed of were, or the interest disposed of was, held by the person by whom the disposal is made immediately before the marriage [^{F6}or civil partnership] was dissolved or annulled.
- (7) Subsection (8) below applies for the purposes of tax on chargeable gains where—
- (a) (if that subsection did not apply) a loss would accrue on a disposal of, or of an interest in, the rights conferred by the policy of insurance or contract for a deferred annuity, but
 - (b) if sections 37 and 39 were disregarded, there would accrue on the disposal a loss of a smaller amount, a gain or neither a loss nor a gain.
- (8) If (disregarding those sections) a loss of a smaller amount would accrue, that smaller amount is to be taken to be the amount of the loss accruing on the disposal; and in any other case, neither a loss nor a gain is to be taken to accrue on the disposal.
- (9) But subsection (8) above does not affect the treatment for the purposes of tax on chargeable gains of the person who acquired rights, or an interest in rights, on the disposal.
- (10) The occasion of—
- (a) the receipt of the sum or sums assured by the policy of insurance,
 - (b) the transfer of investments or other assets to the owner of the policy of insurance in accordance with the policy, or
 - (c) the surrender of the policy of insurance,
- is for the purposes of tax on chargeable gains an occasion of a disposal of the rights (or of all of the interests in the rights) conferred by the policy of insurance.
- (11) The occasion of—
- (a) the receipt of the first instalment of the annuity under the contract for a deferred annuity, or
 - (b) the surrender of the rights conferred by the contract for a deferred annuity,
- is for the purposes of tax on chargeable gains an occasion of a disposal of the rights (or of all of the interests in the rights) conferred by the contract for a deferred annuity.
- (12) Where there is a disposal on the occasion of the receipt of the first instalment of the annuity under the contract for a deferred annuity—

Status: Point in time view as at 27/05/2011.

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- (a) in the case of a disposal of the rights conferred by the contract, the consideration for the disposal is the aggregate of the amount or value of the first instalment and the market value at the time of the disposal of the right to receive the further instalments of the annuity, and
 - (b) in the case of a disposal of an interest in the rights, the consideration for the disposal is such proportion of that aggregate as is just and reasonable;
- and no gain accruing on any subsequent disposal of, or of any interest in, the rights is a chargeable gain (even if subsection (3) above applies).
- (13) In this section “interest”, in relation to rights conferred by a policy of insurance or contract for a deferred annuity, means an interest as a co-owner of the rights (whether the rights are owned jointly or in common and whether or not the interests of the co-owners are equal).]

Textual Amendments

- F1** S. 210 substituted (with effect in accordance with s. 157(2) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 157\(1\)](#)
- F2** Words in s. 210(5)(a) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\), regs. 1\(1\), 116\(2\)\(a\)](#)
- F3** Words in s. 210(5)(a) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\), regs. 1\(1\), 116\(2\)\(b\)](#)
- F4** Words in s. 210(6) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\), regs. 1\(1\), 116\(3\)\(a\)](#)
- F5** Words in s. 210(6)(a) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\), regs. 1\(1\), 116\(3\)\(b\)](#)
- F6** Words in s. 210(6)(c) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\), regs. 1\(1\), 116\(3\)\(c\)](#)

Status:

Point in time view as at 27/05/2011.

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