



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XIII

MISCELLANEOUS SPECIAL PROVISIONS

CHAPTER II

LIFE POLICIES, LIFE ANNUITIES AND CAPITAL REDEMPTION POLICIES

Modifications etc. (not altering text)

- C1** Pt. 13 Ch. 2 restricted (with effect in accordance with s. 105(1) of the affecting Act) by Finance Act 1996 (c. 8), **Sch. 13 para. 3(2)** (with Sch. 13 para. 16)
- C2** Pt. 13 Ch. 2 applied (with modifications) (6.4.1999) by The Individual Savings Account Regulations 1998 (S.I. 1998/1870), **regs. 35(7), 36(3)-(7)** (as amended by The Individual Savings Account (Amendment) Regulations 1998 (S.I. 1998/3174), **reg. 12**)
- C3** Pt. 13 Ch. 2 applied (with modifications) (6.4.1999 with effect in accordance with reg. 1 of the affecting S.I.) by The Personal Portfolio Bonds (Tax) Regulations 1999 (S.I. 1999/1029), **reg. 6(2)-(8)** (as amended (6.4.2002) by The Personal Portfolio Bonds (Tax) (Amendment) Regulations 2002 (S.I. 2002/455), **regs. 1, 2**)
- C4** Pt. 13 Ch. 2 modified (9.4.2003) by Finance Act 2003 (c. 14), s. 171(1)(3), **Sch. 34 para. 3**
- C5** Pt. 13 Ch. 2 modified (9.4.2003) by Finance Act 2003 (c. 14), s. 171(1)(3), **Sch. 34 para. 15**
- C6** Pt. 13 Ch. 2 modified (6.4.2005) by The Child Trust Funds Regulations 2004 (S.I. 2004/1450), **regs. 1, 2(1), 38(3)-(8)**; S.I. 2004/3369, **art. 2(1)**
- C7** Pt. 13 Ch. 2 modified (20.7.2005) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 14(5)-(7)**
- C8** Pt. 13 Ch. 2 modified (with effect in accordance with Sch. 13 para. 5 of the modifying Act) by Finance Act 2008 (c. 9), **Sch. 13 para. 6**

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Textual Amendments

- F1 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

[^{F2}539ZA Application of this Chapter etc. to policies and contracts in which persons other than companies are interested

^{F3}

Textual Amendments

- F2 S. 539ZA inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 211 (with Sch. 2)
- F3 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

[^{F4}539A The conditions for being an excepted group life policy

^{F5}

Textual Amendments

- F4 S. 539A inserted (9.4.2003) by Finance Act 2003 (c. 14), s. 171(1)(3), Sch. 34 para. 2
- F5 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

540 Life policies: chargeable events.

^{F6}

Textual Amendments

- F6 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

541 Life policies: computation of gain.

^{F7}

Textual Amendments

- F7 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

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542 Life annuity contracts: chargeable events.

F8
.....

Textual Amendments

F8 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

543 Life annuity contracts: computation of gain.

F9
.....

Textual Amendments

F9 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

544 Second and subsequent assignment of life policies and contracts.

F10
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Textual Amendments

F10 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

545 Capital redemption policies.

F11
.....

Textual Amendments

F11 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

546 Calculation of certain amounts for purposes of sections 540, 542 and 545.

F12
.....

Textual Amendments

F12 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

[^{F13}546A Treatment of certain assignments etc involving co-ownership

^{F14}
.....]

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Textual Amendments

- F13** S. 546A inserted (with effect in accordance with s. 83(2) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 28 para. 9](#)
- F14** Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

[^{F15} 546B Special provision in respect of certain section 546 excesses

F16

Textual Amendments

- F15** Ss. 546B-546D inserted (with effect in accordance with s. 83(2) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 28 para. 10](#)
- F16** Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

546C Charging the section 546 excess to tax where section 546B applies

F17

Textual Amendments

- F15** Ss. 546B-546D inserted (with effect in accordance with s. 83(2) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 28 para. 10](#)
- F17** Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

546D Modifications of s.546C for final year ending with terminal chargeable event

F18]

Textual Amendments

- F15** Ss. 546B-546D inserted (with effect in accordance with s. 83(2) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 28 para. 10](#)
- F18** Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

547 Method of charging gain to tax.

F19

Textual Amendments

- F19** Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

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[^{F20}**547A Method of charging gain to tax: multiple interests.**

F21]

Textual Amendments

F20 S. 547A inserted (with effect in accordance with Sch. 14 para. 7(5) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 14 para. 2**

F21 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 3**

548 Deemed surrender of certain loans.

F22

Textual Amendments

F22 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 3**

[^{F23}**548A Effect of rebated or reinvested commission in certain cases**

F24

Textual Amendments

F23 Ss. 548A, 548B inserted (with effect in accordance with s. 29(4) of the amending Act) by Finance Act 2007 (c. 11), **s. 29(1)**

F24 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 3**

548B Section 548A: further definitions

F25]

Textual Amendments

F23 Ss. 548A, 548B inserted (with effect in accordance with s. 29(4) of the amending Act) by Finance Act 2007 (c. 11), **s. 29(1)**

F25 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 3**

549 Certain deficiencies allowable as deductions.

F26

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Textual Amendments

F26 S. 549 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 219, **Sch. 3** (with Sch. 2)

550 Relief where gain charged at a higher rate.

F27

Textual Amendments

F27 S. 550 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 220, **Sch. 3** (with Sch. 2)

551 Right of individual to recover tax from trustees.

F28

Textual Amendments

F28 S. 551 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 221, **Sch. 3** (with Sch. 2)

[^{F29}551A Right of company to recover tax from trustees.

F30]

Textual Amendments

F29 Ss. 551A inserted (with effect in accordance with [Sch. 14 para. 7\(5\)](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), **Sch. 14 para. 3**

F30 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 14 para. 3**

[^{F31}552 Information: duty of insurers.

- (1) Where a chargeable event ^{F32}. . . has happened in relation to any policy or contract, the body by or with whom the policy or contract was issued, entered into or effected shall—
- (a) unless satisfied that no gain is to be treated as arising by reason of the event, deliver to the appropriate policy holder before the end of the relevant three month period a certificate specifying the information described in subsection (5) below; and
 - (b) if the condition in paragraph (a) or (b) of subsection (2) below is satisfied, deliver to the inspector before the end of the relevant three month period a certificate specifying the information described in subsection (5) below together with the name and address of the appropriate policy holder.

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- (2) For the purposes of this section—
- (a) the condition in this paragraph is that the event is an assignment for money or money's worth of the whole of the rights conferred by the policy or contract; or
 - (b) the condition in this paragraph is that the amount of the gain, or the aggregate amount of the gain and any gains connected with it, exceeds one half of the basic rate limit for the relevant year of assessment.
- (3) If, in the case of every certificate which a body delivers under subsection (1)(a) above which relates to a gain attributable to a year of assessment^{F33} . . . , the body also delivers to the inspector—
- (a) before the end of the relevant three month period for the purposes of subsection (1)(b) above,
 - (b) by a means prescribed by the Board for the purposes of this subsection under section 552ZA(5), and
 - (c) in a form so prescribed in the case of that means,
- a certificate specifying the same information as the certificate under subsection (1)(a) together with the name and address of the appropriate policy holder, the body shall be taken to have complied with the requirements of subsection (1)(b) above in relation to that year of assessment^{F34} . . . so far as relating to the chargeable events to which the certificates relate.
- (4) Where a certificate is not required to be delivered under subsection (1)(b) above in the case of any chargeable event—
- (a) the inspector may by notice require the body to deliver to him a copy of any certificate that the body was required to deliver under subsection (1)(a) above which relates to the chargeable event; and
 - (b) it shall be the duty of the body to deliver such a copy within 30 days of receipt of the notice.
- (5) The information to be given to the appropriate policy holder pursuant to subsection (1) (a) above or the inspector pursuant to subsection (1)(b) above is—
- (a) any unique identifying designation given to the policy or contract;
 - (b) the nature of the chargeable event and—
 - (i) the date on which it happened; and
 - (ii) if it is a chargeable event by virtue of^{F35} . . . [^{F36}section 514(1) of ITTOIA 2005 (chargeable events where transaction-related calculations show gains), the date on which [^{F37}the insurance year ends];]
 - (c) if the event is the assignment of all the rights conferred by the policy or contract, such of the following as may be required for computing the amount of the gain to be treated as arising by virtue of^{F38} . . . [^{F39}Chapter 9 of Part 4 of ITTOIA 2005]—
 - (i)^{F40} . . . [^{F41}the amount or value of any capital sums of a kind referred to in section 492(1)(b) to (e) of ITTOIA 2005];
 - (ii) the amounts previously paid under the policy or contract by way of premiums or otherwise by way of consideration for an annuity;
 - (iii)^{F42} . . . [^{F43}the amount of so much of any payment previously made on account of an annuity as is exempt under section 717 of ITTOIA 2005];

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- (iv) the value of any previously assigned parts of or shares in the rights conferred by the policy or contract;
- (v) ^{F44} . . . [^{F45}the total of the amounts of gains treated as arising on previous chargeable events within section 509(1) or 514(1) of ITTOIA 2005];
- (d) except where paragraph (c) above applies, the amount of the gain treated as arising by reason of the event;
- ^{F46}(e) the number of years relevant for computing the annual equivalent of the amount of the gain for the purposes of subsection (1) of section 536 of ITTOIA 2005 (top slicing relieved liability: one chargeable event), apart from subsections (6) and (8) of that section;]
- ^{F47}(f) on the assumption that section 465 of ITTOIA 2005 (person liable: individuals) has effect in relation to the gain —
 - (i) whether an individual would fall to be treated as having paid income tax at the [^{F48}basic rate] on the amount of the gain in accordance with section 530 of that Act; and
 - (ii) if so, except in a case where paragraph (c) above applies, the amount of such tax that would fall to be so treated as paid.]
- (6) For the purposes of subsection (1)(a) above, the relevant three month period is whichever of the following periods ends the latest—
 - (a) the period of three months following the happening of the chargeable event;
 - (b) if the event is a surrender or assignment which is a chargeable event by virtue of ^{F49} . . . [^{F50}section 514(1) of ITTOIA 2005 ^{F51} . . .], the period of three months following the end of [^{F52}the insurance year] in which the event happens;
 - (c) if the event is a death or an assignment of the whole of the rights or a surrender or assignment which is a chargeable event by virtue of ^{F53} . . . [^{F54}section 514(1) of ITTOIA 2005 ^{F53} . . .], the period of three months beginning with receipt of written notification of the event.
- (7) For the purposes of subsection (1)(b) above, the relevant three month period is whichever of the following periods ends the latest—
 - (a) the period of three months following the end of the year of assessment ^{F55} . . . in which the event happened;
 - (b) if the event is a surrender or assignment which is a chargeable event by virtue of [^{F56}section 514(1) of ITTOIA 2005, the period of three months following the end of the insurance year] in which the event happens;
 - (c) if the event is a death or an assignment, the period of three months beginning with receipt of written notification of the event;
 - (d) if a certificate under subsection (1)(b) above would not be required in respect of the event apart from the happening of another event, and that other event is one of those mentioned in paragraph (c) above, the period of three months beginning with receipt of written notification of that other event.
- (8) For the purposes of this section the cases where a gain is connected with another gain are those cases where—
 - (a) both gains arise in connection with policies or contracts containing obligations which, immediately before the chargeable event, were obligations of the same body;
 - (b) the policy holder of those policies or contracts is the same;
 - (c) both gains are attributable to the same year of assessment ^{F57} . . . ;

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- (d) the terms of the policies or contracts are the same, apart from any difference in their maturity dates; and
- (e) the policies or contracts were issued in respect of insurances made, or were entered into or effected, on the same date.
- (9) For the purposes of this section, the year of assessment ^{F58} . . . to which a gain is attributable is—
- (a) in the case of a gain treated as arising by virtue of [^{F59}subsection (1) of section 514 of ITTOIA 2005, the year of assessment which includes the end of the insurance year mentioned in subsection (3) and (4) of that section;] or
- (b) in any other case, the year of assessment ^{F60} . . . in which happens the chargeable event by reason of which the gain is treated as arising.
- (10) In this section—
- “amount”, in relation to any gain, means the amount of the gain apart from ^{F61} . . . [^{F62}section 528 of ITTOIA 2005];
- “appropriate policy holder” means—
- (a) in relation to an assignment of part of or a share in the rights conferred by a policy or contract, any person who is both—
- (i) the policy holder, or one of the policy holders, immediately before the assignment; and
- (ii) the assignor or one of the assignors; and
- (b) in relation to any other chargeable event, the person who is the policy holder immediately before the happening of the event;
- [^{F63}“chargeable event” means an event which is a chargeable event within the meaning of ^{F64} . . . Chapter 9 of Part 4 of ITTOIA 2005;]
- ^{F65}
- [^{F66}“insurance year” has the same meaning as in Chapter 9 of Part 4 of ITTOIA 2005 (see section 499 of that Act);]
- “the relevant year of assessment”, in the case of any gain, means—
- (a) the year of assessment to which the gain is attributable, ^{F67} . . .
- (b) ^{F67}
- ^{F68}
- ^{F68}
- (11) ^{F69}
- (12) This section is supplemented by section 552ZA.
- [^{F70}(13) For the purposes of this section, no account is to be taken of the effect of ^{F71} . . . section 541A of ITTOIA 2005.]]

Textual Amendments

- F31** Ss. 552, 552ZA substituted for s. 552 (with effect in accordance with s. 83(3) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 28 para. 18**
- F32** Words in s. 552(1) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(2)**, **Sch. 3** (with **Sch. 2**)
- F33** Words in s. 552(3) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(2)(a)**

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- F34** Words in s. 552(3) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(2)(b)**
- F35** Words in s. 552(5)(b)(ii) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(a)(i)**
- F36** Words in s. 552(5)(b)(ii) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(a)** (with Sch. 2)
- F37** Words in s. 552(5)(b)(ii) substituted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(a)(ii)**
- F38** Words in s. 552(5)(c) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(b)(i)**
- F39** Words in s. 552(5)(c) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(b)(i)** (with Sch. 2)
- F40** Words in s. 552(5)(c)(i) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(b)(ii)**
- F41** Words in s. 552(5)(c)(i) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(b)(ii)** (with Sch. 2)
- F42** Words in s. 552(5)(c)(iii) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(b)(iii)**
- F43** Words in s. 552(5)(c)(iii) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(b)(iii)** (with Sch. 2)
- F44** Words in s. 552(5)(c)(v) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(b)(iv)**
- F45** Words in s. 552(5)(c)(v) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(b)(iv)** (with Sch. 2)
- F46** S. 552(5)(e) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(c)** (with Sch. 2)
- F47** S. 552(5)(f) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(d)** (with Sch. 2)
- F48** Words in s. 552(5)(f)(i) substituted (with effect in accordance with Sch. 1 para. 65 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 1 para. 43**
- F49** Words in s. 552(6)(b) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(4)(a)(i)**
- F50** Words in s. 552(6)(b) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(4)(a)(i)** (with Sch. 2)
- F51** Closing bracket in s. 552(6)(b) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(4)(a)(ii)**
- F52** Words in s. 552(6)(b) substituted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 14 para. 4(4)(a)(iii)**
- F53** Words and closing bracket in s. 552(6)(c) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(4)(b)**
- F54** Words in s. 552(6)(c) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(4)(b)** (with Sch. 2)
- F55** Words in s. 552(7)(a) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(5)(a)**
- F56** Words in s. 552(7)(b) substituted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 14 para. 4(5)(b)**
- F57** Words in s. 552(8)(c) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(6)**

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- F58** Words in s. 552(9) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(7)(a)**
- F59** Words in s. 552(9)(a) substituted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 14 para. 4(7)(b)**
- F60** Words in s. 552(9)(b) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(7)(c)**
- F61** S. 552(10): words in definition of "amount" omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(a)**
- F62** S. 552(10): words in definition of "amount" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(7)(a)** (with Sch. 2)
- F63** S. 552(10): definition of "chargeable event" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(7)(b)** (with Sch. 2)
- F64** S. 552(10): words in definition of "chargeable event" omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(b)**
- F65** S. 552(10): definition of "financial year" omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(c)**
- F66** S. 552(10): definition of "insurance year" inserted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(d)**
- F67** S. 552(10): in definition of "the relevant year of assessment", para. (b) and preceding word omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(e)**
- F68** S. 552(10): definitions of "section 546 excess" and "year" omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(f)**
- F69** S. 552(11) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(9)**
- F70** S. 552(13) inserted (with effect in accordance with s. 29(4) of the amending Act) by Finance Act 2007 (c. 11), **s. 29(2)**
- F71** Words in s. 552(13) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(10)**

Modifications etc. (not altering text)

- C9** S. 552(6) modified (9.4.2003) by Finance Act 2003 (c. 14), s. 171(1)(3), **Sch. 34 para. 5**

[^{F72}552Z Information: supplementary provisions

- (1) This section supplements section 552 and shall be construed as one with it.
- (2) Where the obligations under any policy or contract of the body that issued, entered into or effected it ("the original insurer") are at any time the obligations of another body ("the transferee") to whom there has been a transfer of the whole or any part of a business previously carried on by the original insurer, section 552 shall have effect in relation to that time, except where the chargeable event—
 - (a) happened before the transfer, and
 - (b) in the case of a death or an assignment, is an event of which the notification mentioned in subsection (6) or (7) of that section was given before the transfer, as if the policy or contract had been issued, entered into or effected by the transferee.
- (3) Where, in consequence of ^{F73} . . . [^{F74}section 514(1) of ITTOIA 2005], paragraph (a) or (b) of section 552(1) requires certificates to be delivered in respect of two or more surrenders, happening in the same year, of part of or a share in the rights conferred

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- by the policy or contract, a single certificate may be delivered under the paragraph in question in respect of all those surrenders (and may treat them as if they together constituted a single surrender) unless between the happening of the first and the happening of the last of them there has been—
- (a) an assignment of part of or a share in the rights conferred by the policy or contract; or
 - (b) an assignment, otherwise than for money or money's worth, of the whole of the rights conferred by the policy or contract.
- (4) Where the appropriate policy holder is two or more persons—
- (a) section 552(1)(a) requires a certificate to be delivered to each of them; but
 - (b) nothing in section 552 or this section requires a body to deliver a certificate under subsection (1)(a) of that section to any person whose address has not been provided to the body (or to another body, at a time when the obligations under the policy or contract were obligations of that other body).
- (5) A certificate under section 552(1)(b) or (3)—
- (a) shall be in a form prescribed for the purpose by the Board; and
 - (b) shall be delivered by any means prescribed for the purpose by the Board;
- and different forms, or different means of delivery, may be prescribed for different cases or different purposes.
- (6) The Board may by regulations make such provision as they think fit for securing that they are able—
- (a) to ascertain whether there has been or is likely to be any contravention of the requirements of section 552 or this section; and
 - (b) to verify any certificate under that section.
- (7) Regulations under subsection (6) above may include, in particular, provisions requiring persons to whom premiums under any policy are or have at any time been payable—
- (a) to supply information to the Board; and
 - (b) to make available books, documents and other records for inspection on behalf of the Board.
- (8) Regulations under subsection (6) above may—
- (a) make different provision for different cases; and
 - (b) contain such supplementary, incidental, consequential or transitional provision as appears to the Board to be appropriate.]

Textual Amendments

- F72** Ss. 552, 552ZA substituted for s. 552 (with effect in accordance with s. 83(3) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 28 para. 18**
- F73** Words in s. 552ZA(3) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 5**
- F74** Words in s. 552ZA(3) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 223** (with Sch. 2)

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VALID FROM 17/07/2013

[^{F75}552Z] Regulations in relation to qualifying policies

- (1) The Commissioners for Her Majesty's Revenue and Customs may make regulations—
 - (a) requiring relevant persons—
 - (i) to provide prescribed information to persons who apply for the issue of qualifying policies or who are, or may be, required to make statements under paragraph B3(2) of Schedule 15;
 - (ii) to provide to an officer of Revenue and Customs prescribed information about qualifying policies which have been issued by them or in relation to which they are or have been a relevant transferee;
 - (b) making such provision (not falling within paragraph (a)) as the Commissioners think fit for securing that an officer of Revenue and Customs is able—
 - (i) to ascertain whether there has been or is likely to be any contravention of the requirements of the regulations or of paragraph B3(2) of Schedule 15;
 - (ii) to verify any information provided to an officer of Revenue and Customs as required by the regulations.
- (2) The provision that may be made by virtue of subsection (1)(b) includes, in particular, provision requiring relevant persons to make available books, documents and other records for inspection by or on behalf of an officer of Revenue and Customs.
- (3) The regulations may—
 - (a) make different provision for different cases or circumstances, and
 - (b) contain incidental, supplementary, consequential, transitional, transitory or saving provision.
- (4) In this section—

“prescribed” means prescribed by the regulations,

“qualifying policy” includes a policy which would be a qualifying policy apart from—

 - (a) paragraph A1(2), B1(2), B2(2) or B3(3) of Schedule 15, or
 - (b) paragraph 17(2)(za) of that Schedule (including as applied by paragraph 18), and

“relevant person” means a person—

 - (a) who issues, or has issued, qualifying policies, or
 - (b) who is, or has been, a relevant transferee in relation to qualifying policies.
- (5) For the purposes of this section a person (“X”) is at any time a “relevant transferee” in relation to a qualifying policy if the obligations under the policy of its issuer are at that time the obligations of X as a result of there having been a transfer to X of the whole or any part of a business previously carried on by the issuer.]

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Textual Amendments

F75 S. 552ZB inserted (17.7.2013) by Finance Act 2013 (c. 29), Sch. 9 para. 10

[^{F76} 552A Tax representatives.

- (1) This section has effect for the purpose of securing that, where it applies to an overseas insurer, another person is the overseas insurer's tax representative.
- (2) In this section "overseas insurer" means a person who is not resident in the United Kingdom who carries on a business which consists of or includes the effecting and carrying out of—
 - (a) policies of life insurance;
 - (b) contracts for life annuities; or
 - (c) capital redemption policies.
- (3) This section applies to an overseas insurer—
 - (a) if the condition in subsection (4) below is satisfied on the designated day; or
 - (b) where that condition is not satisfied on that day, if it has subsequently become satisfied.
- (4) The condition mentioned in subsection (3) above is that—
 - (a) there are in force relevant insurances the obligations under which are obligations of the overseas insurer in question or of an overseas insurer connected with him; and
 - (b) the total amount or value of the gross premiums paid under those relevant insurances is £1 million or more.
- (5) In this section "relevant insurance" means any policy of life insurance, contract for a life annuity or capital redemption policy^{F77} . . . in the case of which—
 - (a) the holder is resident in the United Kingdom;
 - (b) the obligations of the insurer are obligations of a person not resident in the United Kingdom; and
 - (c) those obligations are not attributable to a branch or agency of that person's in the United Kingdom.
- (6) Before the expiration of the period of three months following the day on which this section first applies to an overseas insurer, the overseas insurer must nominate to the Board a person to be his tax representative.
- (7) A person shall not be a tax representative unless—
 - (a) if he is an individual, he is resident in the United Kingdom and has a fixed place of residence there, or
 - (b) if he is not an individual, he has a business establishment in the United Kingdom,
 and, in either case, he satisfies such other requirements (if any) as are prescribed in regulations made for the purpose by the Board.
- (8) A person shall not be an overseas insurer's tax representative unless—
 - (a) his nomination by the overseas insurer has been approved by the Board; or
 - (b) he has been appointed by the Board.

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- (9) The Board may by regulations make provision supplementing this section; and the provision that may be made by any such regulations includes provision with respect to—
- (a) the making of a nomination by an overseas insurer of a person to be his tax representative;
 - (b) the information which is to be provided in connection with such a nomination;
 - (c) the form in which such a nomination is to be made;
 - (d) the powers and duties of the Board in relation to such a nomination;
 - (e) the procedure for approving, or refusing to approve, such a nomination, and any time limits applicable to doing so;
 - (f) the termination, by the overseas insurer or the Board, of a person's appointment as a tax representative;
 - (g) the appointment by the Board of a person as the tax representative of an overseas insurer (including the circumstances in which such an appointment may be made);
 - (h) the nomination by the overseas insurer, or the appointment by the Board, of a person to be the tax representative of an overseas insurer in place of a person ceasing to be his tax representative;
 - (j) circumstances in which an overseas insurer to whom this section applies may, with the Board's agreement, be released (subject to any conditions imposed by the Board) from the requirement that there must be a tax representative;
 - (k) appeals to the Special Commissioners against decisions of the Board under this section or regulations under it.
- (10) The provision that may be made by regulations under subsection (9) above also includes provision for or in connection with the making of other arrangements between the Board and an overseas insurer for the purpose of securing the discharge by or on behalf of the overseas insurer of the relevant duties, within the meaning of section 552B.
- (11) Section 839 (connected persons) applies for the purposes of this section.
- (12) In this section—
- [^{F78}“capital redemption policy” means a capital redemption policy in relation to which ^{F79} . . . Chapter 9 of Part 4 of ITTOIA 2005 [^{F80}has] effect;]
- [^{F81}“contract for a life annuity” means a contract for a life annuity in relation to which ^{F79} . . . Chapter 9 of Part 4 of ITTOIA 2005 [^{F80}has] effect;]
- “the designated day” means such day as the Board may specify for the purpose in regulations;
- [^{F82}“policy of life insurance” means a policy of life insurance in relation to which ^{F79} . . . Chapter 9 of Part 4 of ITTOIA 2005 [^{F80}has] effect;]
- “tax representative” means a tax representative under this section.]

Subordinate Legislation Made

P1 S. 552A(12) power exercised: 6.4.1999 appointed by S.I. 1999/881, **reg. 3**

Textual Amendments

F76 Ss. 552A, 552B inserted (31.7.1998) by Finance Act 1998 (c. 36), **s. 87**

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- F77** Words in s. 552A(5) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 224\(2\), Sch. 3 \(with Sch. 2\)](#)
- F78** S. 552A(12): definition of "capital redemption policy" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 224\(3\) \(with Sch. 2\)](#)
- F79** Words in s. 552A(12) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\), Sch. 14 para. 6\(a\)](#)
- F80** Words in s. 552A(12) substituted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by [Finance Act 2008 \(c. 9\), Sch. 14 para. 6\(b\)](#)
- F81** S. 552A(12): definition of "contract for a life annuity" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 224\(3\) \(with Sch. 2\)](#)
- F82** S. 552A(12): definition of "policy of life insurance" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 224\(3\) \(with Sch. 2\)](#)

Modifications etc. (not altering text)

- C10** S. 522A restricted (6.4.1999) by [The Overseas Insurers \(Tax Representatives\) Regulations 1999 \(S.I. 1999/881\), reg. 11\(2\)](#)

[^{F76}552B Duties of overseas insurers' tax representatives.

- (1) It shall be the duty of an overseas insurer's tax representative to secure (where appropriate by acting on the overseas insurer's behalf) that the relevant duties are discharged by or on behalf of the overseas insurer.

[^{F83}(2) For the purposes of this section "the relevant duties" are—

- (a) the duties imposed by section 552,
- (b) the duties imposed by section 552ZA(2), (4) or (5), and
- (c) any duties imposed by regulations made under subsection (6) of section 552ZA by virtue of subsection (7) of that section,

so far as relating to relevant insurances under which the overseas insurer in question has any obligations.]

- (3) An overseas insurer's tax representative shall be personally liable—
- (a) in respect of any failure to secure the discharge of the relevant duties, and
 - (b) in respect of anything done for purposes connected with acting on the overseas insurer's behalf,

as if the relevant duties were imposed jointly and severally on the tax representative and the overseas insurer.

- (4) In the application of this section in relation to any particular tax representative, it is immaterial whether any particular relevant duty arose before or after his appointment.

- (5) This section has effect in relation to relevant duties relating to chargeable events happening on or after the day by which section 552A(6) requires the nomination of the overseas insurer's first tax representative to be made.

[In subsection (5) "chargeable event" has the same meaning as in section 552 (see ^{F84}(5A) subsection (10) of that section).]

- (6) Expressions used in this section and in section 552A have the same meaning in this section as they have in that section.]

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Textual Amendments

- F76** Ss. 552A, 552B inserted (31.7.1998) by Finance Act 1998 (c. 36), s. 87
- F83** S. 552B(2) substituted (with effect in accordance with s. 83(3) of the amending Act) by Finance Act 2001 (c. 9), Sch. 28 para. 19
- F84** S. 552B(5A) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 225 (with Sch. 2)

553 Non-resident policies and off-shore capital redemption policies.

F85

Textual Amendments

- F85** Ss. 553-553C omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 7

[^{F86} **553A Overseas life assurance business: life policies.**

F87

Textual Amendments

- F86** S. 553A inserted (31.7.1998) by Finance Act 1998 (c. 36), s. 88(1)
- F87** Ss. 553-553C omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 7

[^{F88} **553B Overseas life assurance business: capital redemption policies.**

F89

Textual Amendments

- F88** S. 553B inserted (31.7.1998) by Finance Act 1998 (c. 36), s. 88(2)
- F89** Ss. 553-553C omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 7

[^{F90} **553C Personal portfolio bonds.**

F91

Textual Amendments

- F90** S. 553C inserted (31.7.1998) by Finance Act 1998 (c. 36), s. 89
- F91** Ss. 553-553C omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 7

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554 Borrowings on life policies to be treated as income in certain cases.

F92

Textual Amendments

F92 S. 554 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 229, Sch. 3](#) (with Sch. 2)

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