

SCHEDULES

SCHEDULE 14

LIFE POLICIES, LIFE ANNUITIES AND CAPITAL REDEMPTION POLICIES

Commencement

- 7 (1) Paragraph (d) of section 547(1) of the Taxes Act 1988 shall not have effect in relation to the amount of a gain if—
- (a) the gain is treated as arising on the happening of a chargeable event on or after 6th April 1998 in relation to a pre-commencement policy or contract; and
 - (b) the trusts in question were created before 17th March 1998 and the person, or (disregarding section 547A(6) of that Act) at least one of the persons, who created them was an individual who died before that date.
- (2) In sub-paragraph (1) above, “pre-commencement policy or contract” means—
- (a) a policy of life insurance issued in respect of an insurance made before 17th March 1998,
 - (b) a contract for a life annuity made before that date, or
 - (c) a capital redemption policy where the contract was effected before that date, but does not include a policy or contract varied on or after that date so as to increase the benefits secured or to extend the term of the insurance, annuity or capital redemption policy (any exercise of rights conferred by the policy or contract being regarded for this purpose as a variation).
- (3) The amendment made by paragraph 6 above has effect in relation to income arising on or after 6th April 1998.
- (4) In that amendment, the express references to gains treated as arising under Chapter II of Part XIII of the Taxes Act 1988 are references to gains treated as so arising on the happening of chargeable events on or after 6th April 1998.
- (5) Except as provided by the preceding provisions of this paragraph, this Schedule has effect in relation to chargeable events happening on or after 6th April 1998.