



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 4

#### SAVINGS AND INVESTMENT INCOME

### CHAPTER 9

#### GAINS FROM CONTRACTS FOR LIFE INSURANCE ETC.

##### *Personal portfolio bonds*

#### **524 The total amount of part surrender gains**

- (1) To calculate the total amount of part surrender gains—

*Step 1*

Apply the provisions of this Chapter mentioned in subsection (3) as modified by subsections (4) and (5) in relation to the policy or contract as at the end of each previous insurance year during its existence.

*Step 2*

Determine whether in each case those provisions produce a gain and, if so, its amount.

*Step 3*

Add together all of the amounts produced by step 2.

- (2) But if there is no previous insurance year during the existence of the policy or contract, the total amount of part surrender gains is nil.

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**Status:** Point in time view as at 01/08/2014.

**Changes to legislation:** There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 524. (See end of Document for details)

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- (3) The provisions of this Chapter which apply for the purposes of the calculation in subsection (1) are—
- (a) subsections (2) to (6) of section 507 (method for making periodic calculations), and
  - (b) subsections (1) to (3) and (5) of section 508 (the value of rights partially surrendered).
- (4) The provisions of section 507 mentioned in subsection (3) apply for the purposes of this section with the omission of all references in that section—
- (a) to the assignment of any part of or share in the rights under the policy or contract, or
  - (b) to the value of any part of or share in the rights under the policy or contract so assigned.
- (5) In the application of step 3 in subsection (4) of section 507 for the purposes of this section, the reference in that step to previous calculation events does not include a reference to an excess event consisting of the assignment of a part of or share in the rights under the policy or contract.

**Status:**

Point in time view as at 01/08/2014.

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 524.