
STATUTORY INSTRUMENTS

1999 No. 1029

The Personal Portfolio Bonds (Tax) Regulations 1999

Application of Chapter II of Part XIII of the Taxes Act

6.—(1) The gain treated as arising in accordance with regulation 5(2) shall be treated, for the purposes of section 547(1) and paragraph (2) (other than sub-paragraph (b) of that paragraph), as arising on the happening of a chargeable event, which takes place at the time given by regulation 5(3) and (4).

(2) The provisions of Chapter II of Part XIII of the Taxes Act(2) (other than section 553C) shall, so far as concerns policies or contracts that are also personal portfolio bonds, apply, subject to the omissions and modifications specified in paragraphs (3) to (8), both in relation to—

- (a) the gain treated as arising on the happening of a chargeable event in accordance with regulation 5(2) and paragraph (1), and
- (b) other gains treated as arising in accordance with that Chapter.

(3) In section 547 (method of charging gain to tax)—

- (a) in subsection (1) after “545” there shall be inserted the words “or regulations 5(2) and 6(1) of the Personal Portfolio Bonds (Tax) Regulations 1999”;
- (b) in each of subsections (5A) and (7) after “543” there shall be inserted the words “or regulations 5(2) and 6(1) of the Personal Portfolio Bonds (Tax) Regulations 1999”.

(4) In each of paragraphs (a), (b) and (c) of section 541(1), after sub-paragraph (ii) there shall be added—

“and

- (iii) the total amount treated under regulation 5 of the Personal Portfolio Bonds (Tax) Regulations 1999 as a gain arising in a relevant year in relation to the policy, prior to the happening of the chargeable event;”

(5) In each of paragraphs (a) and (b) of section 543(1), after sub-paragraph (ii) there shall be added—

“and

- (iii) the total amount treated under regulation 5 of the Personal Portfolio Bonds (Tax) Regulations 1999 as a gain arising in a relevant year in relation to the contract, prior to the happening of the chargeable event;”

(6) Section 550 (relief where gain charged at a higher rate) shall be omitted.

(7) In section 552(1)(c) after the words “this Chapter” there shall be inserted the words “or regulations 5(2) and 6(1) of the Personal Portfolio Bonds (Tax) Regulations 1999”.

(8) In section 553—

(1) Section 547 was amended by paragraph 5 of Schedule 9 to the Finance Act 1989, paragraph 9 of Schedule 7 to the Finance Act 1991 (c. 31), section 19 of the Finance (No. 2) Act 1992 (c. 48), sections 56 and 76 of the Finance Act 1995 (c. 4), Part V(6) of Schedule 41 to the Finance Act 1996 (c. 8) and paragraph 1 of Schedule 14 to the Finance Act 1998 (c. 36).

(2) Provisions of this Chapter were amended by Schedule 14 to the Finance Act 1998.

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- (a) in each of subsections (3) and (6) after “section 541” there shall be inserted the words “or regulations 5(2) and 6(1) of the Personal Portfolio Bonds (Tax) Regulations 1999”; and
- (b) in subsection (10) after “545” there shall be inserted the words “or, in relation to a gain treated as arising in relation to a policy under regulations 5(2) and 6(1) of the Personal Portfolio Bonds (Tax) Regulations 1999, the same meaning as in section 553C(4)(b)”.