

SCHEDULES

SCHEDULE 15

QUALIFYING POLICIES

PART III

POLICIES ISSUED BY NON-RESIDENT COMPANIES

- 23 In this Part—
- (a) any reference to a paragraph is a reference to that paragraph of this Schedule; and
 - (b) “the old policy” and “the new policy” have the same meanings as in paragraph 17.
- 24 (1) This paragraph applies to a policy of life insurance—
- (a) which is issued in respect of an insurance made after 17th November 1983; and
 - (b) which is so issued by a company resident outside the United Kingdom; and in the following provisions of this paragraph such a policy is referred to as “a new non-resident policy” and the company by which it is issued is referred to as “the issuing company”.
- (2) Notwithstanding anything in paragraph 21—
- (a) a new non-resident policy shall not be certified under sub-paragraph (1)(a) of that paragraph, and
 - (b) a new non-resident policy which conforms with such a form as is mentioned in sub-paragraph (1)(b) of that paragraph shall not be a qualifying policy, until such time as the conditions in either sub-paragraph (3) or sub-paragraph (4) below are fulfilled with respect to it.
- (3) The conditions first referred to in sub-paragraph (2) above are—
- (a) that the issuing company is lawfully carrying on in the United Kingdom life assurance business (as defined in section 431(2)); and
 - (b) that the premiums under the policy are payable to a branch in the United Kingdom of the issuing company, being a branch through which the issuing company carries on its life assurance business; and
 - (c) the premiums under the policy form part of those business receipts of the issuing company which arise through that branch.
- (4) The conditions secondly referred to in sub-paragraph (2) above are—
- (a) that the policy holder is resident in the United Kingdom; and
 - (b) that the income of the issuing company from the investments of its life assurance fund is, by virtue of section 445, charged to corporation tax under Case III of Schedule D;

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and expressions used in paragraph (b) above have the same meaning as in section 445(1).

- 25 (1) In the application of paragraph 17 in any case where—
- (a) the old policy was issued in respect of an insurance made after 17th November 1983 and could not be a qualifying policy by virtue of paragraph 24, and
 - (b) the new policy is not a new non-resident policy as defined in that paragraph, the rules for the determination of the question whether the new policy is a qualifying policy shall apply with the modifications in sub-paragraph (2) below.
- (2) The modifications are the following—
- (a) if, apart from paragraph 24, the old policy and any related policy (within the meaning of paragraph 17(2)(b)) of which account falls to be taken would have been, or would have been capable of being certified as, a qualifying policy under paragraph 21, that policy shall be assumed to have been a qualifying policy for the purposes of paragraph 17(2); and
 - (b) if, apart from this paragraph, the new policy would be, or would be capable of being certified as, a qualifying policy, it shall not be such a policy or, as the case may be, be capable of being so certified unless the circumstances are as specified in paragraph 17(3); and
 - (c) in paragraph 17(3)(b) the words “either by a branch or agency of theirs outside the United Kingdom or” shall be omitted.
- (3) In the application of paragraph 17 in any case where—
- (a) the old policy is a qualifying policy which was issued in respect of an insurance made on or before 17th November 1983 but, if the insurance had been made after that date, the policy could not have been a qualifying policy by virtue of paragraph 24, and
 - (b) the new policy is issued after that date and is not a new non-resident policy, as defined in paragraph 24,
- the rules for the determination of the question whether the new policy is a qualifying policy shall apply with the modification in sub-paragraph (2)(c) above.
- 26 If, in the case of a substitution of policies falling within paragraph 25(1) or (3), the new policy confers such an option as results in the application to it of paragraph 19(3), the new policy shall be treated for the purposes of paragraph 19(3) as having been issued in respect of an insurance made on the same day as that on which was made the insurance in respect of which the old policy was issued.
- 27 (1) For the purposes of Part I and paragraphs 21 and 24, a policy of life insurance which was issued—
- (a) in respect of an insurance made on or before 17th November 1983, and
 - (b) by a company resident outside the United Kingdom,
- shall be treated as issued in respect of an insurance made after that date if the policy is varied after that date so as to increase the benefits secured or to extend the term of the insurance.
- (2) If a policy of life insurance which was issued as mentioned in sub-paragraph (1)(a) and (b) above confers on the person to whom it is issued an option to have another policy substituted for it or to have any of its terms changed, then for the purposes of that sub-paragraph any change in the terms of the policy which is made in pursuance of the option shall be deemed to be a variation of the policy.