

*These notes refer to the Income Tax (Trading and Other Income)
Act 2005 (c.5) which received Royal Assent on 24 March 2005*

INCOME TAX (TRADING AND OTHER INCOME) ACT 2005

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Schedule 2: Transitionals and savings etc.

Part 6: Savings and investment income: insurance contracts and policies made before certain dates

Paragraph 107: Pre-14th March 1989 qualifying policies: application of section 485(2)(b) and (3)(b)

3613. This paragraph reflects the commencement provisions for paragraph (b) in section 485(2) and (3). Paragraph (b) affects the incidence of chargeable events, in respect of a qualifying policy, where the rights under the policy are held as security for a debt owed by a company. This paragraph is based on section 540(5A) of ICTA.
3614. But the modification by this paragraph of section 485(2) and (3) is removed (and the incidence of chargeable events thereby increased) if the pre-14th March 1989 policy is varied in certain ways. See the commentary above on the similar provision in paragraph 96 (pre-20th March 1968 policies and contracts excluded from Chapter 9 of Part 4). *Sub-paragraphs (2) and (3)* are based on section 539(9) of ICTA.