



Corporation Tax Act 2009

2009 CHAPTER 4

PART 6

RELATIONSHIPS TREATED AS LOAN RELATIONSHIPS ETC

CHAPTER 11

INVESTMENT LIFE INSURANCE CONTRACTS

Introduction

560 Introduction to Chapter

- (1) This Chapter makes provision about investment life insurance contracts to which relevant companies are party.
- (2) See, in particular—
 - (a) sections 562 to 565 (which make provision about treating the contracts as creditor relationships in relation to those companies for the purposes of Part 5), and
 - (b) sections 566 to 569 (which make provision for cases where the relevant company was a party to the contract before the beginning of the company's first accounting period beginning on or after 1 April 2008).
- (3) In this Chapter “relevant company” means a company which is not a life insurance company.
- (4) In subsection (3) “life insurance company” means—
 - (a) an insurance company (as defined in [F¹section 65 of FA 2012]) which carries on long-term business (as defined in [F¹section 63 of that Act]), or
 - (b) a friendly society which would be such an insurance company [F²if subsection (3)(a) were omitted from section 65 of that Act.]

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

(5) For the meaning of “investment life insurance contract”, see section 561.

Textual Amendments

- F1** Words in s. 560(4)(a) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 164\(a\)](#)
F2 Words in s. 560(4)(b) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 164\(b\)](#)

561 Meaning of “investment life insurance contract”

- (1) In this Chapter “investment life insurance contract” means—
- (a) a policy of life insurance which has, or is capable of acquiring, a surrender value,
 - (b) a contract for a purchased life annuity, or
 - (c) a capital redemption policy,
- other than a relevant excluded contract.
- (2) In subsection (1)—
- “capital redemption policy” means a contract made in the course of capital redemption business (as defined in [^{F3}section 56(3) of FA 2012]),
- “purchased life annuity” means an annuity—
- (a) granted for consideration in money or money's worth in the ordinary course of a business of granting annuities on human life, and
 - (b) payable for a term ending at a time ascertainable only by reference to the end of a human life (whether or not the annuity may in some circumstances end before or after the life), and
- “relevant excluded contract” means—
- (a) an investment life insurance contract under a registered pension scheme,
 - (b) an investment life insurance contract purchased with sums or assets held for the purposes of a registered pension scheme, or
 - (c) a policy of life insurance issued in respect of an insurance made before 14 March 1989.
- (3) A policy of life insurance issued in respect of an insurance made before 14 March 1989 is treated for the purposes of this Chapter as issued in respect of one made on or after that date if it is varied on or after that date so as—
- (a) to increase the benefits secured, or
 - (b) to extend the term of the insurance.
- (4) For the purposes of subsection (3) any exercise of rights conferred by a policy is to be regarded as a variation of it.

Textual Amendments

- F3** Words in s. 561(2) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 165](#)

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 934(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 12\(2\)](#)
- s. 962(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(5\)\(b\)](#)
- s. 962A(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(6\)\(b\)](#)
- s. 963(1A) inserted by [2023 c. 30 Sch. 2 para. 12\(7\)\(a\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)
- s. 1138A applied by [S.I. 2024/348 reg. 3](#)