

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 116: Pre-9th April 2003 contract or policy: excepted group life policies

3641. This paragraph is based on paragraph 4 of Schedule 34 to FA 2003. *Sub-paragraphs (1) and (4)* of this paragraph carry the benefit of paragraph 4(1) of Schedule 34 to FA 2003 for certain group life policies through the date (6 April 2005) from which this Act has effect. The policies in question were taken out before 9 April 2003, and would not otherwise satisfy the conditions in sections 481 and 482 for the exclusion provided by section 480, but had benefited under paragraph 4(1) of Schedule 34 to FA 2003.
3642. Paragraph 4(1) of Schedule 34 to FA 2003 provided a period in which, subject to conditions, a group life policy, not satisfying the conditions in section 539A of ICTA for exclusion under section 539(2)(f) of ICTA from the scope of Chapter 2 of Part 13 of that Act, could be varied to comply with section 539A of ICTA. That paragraph also provided that such a policy, if varied, would be treated as having complied with those conditions.
3643. *Sub-paragraphs (2) and (3)* similarly preserve the treatment of a replacement policy and the replaced policy under paragraph 4(3) of Schedule 34 to FA 2003 as a single policy, where the replacement was made to comply with section 539A of ICTA.