



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 4

SAVINGS AND INVESTMENT INCOME

CHAPTER 9

GAINS FROM CONTRACTS FOR LIFE INSURANCE ETC.

Personal portfolio bonds

516 Meaning of “personal portfolio bond”

- (1) In this Chapter “personal portfolio bond” means a policy of life insurance, contract for a life annuity or capital redemption policy which meets conditions A and B.

This is subject to section 517.

- (2) Condition A is that, under the terms of the policy or contract, some or all of the benefits are determined by reference to—
- (a) fluctuations in, or in an index of, the value of property of any description, or
 - (b) the value of, or the income from, property of any description.
- (3) For this purpose it does not matter whether or not the index or property is specified in the policy or contract.
- (4) Condition B is that the terms of the policy or contract permit the selection of the index or some or all of the property by—
- (a) the holder of the policy or contract,
 - (b) a person connected with the holder,
 - (c) the holder and such a connected person acting together,

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- (d) a person acting on behalf of the holder,
 - (e) a person acting on behalf of a person connected with the holder, or
 - (f) a person acting on behalf of the holder and such a connected person acting together.
- (5) In subsection (4) “holder”, in the case of a policy or contract held by two or more persons, means any of them.

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

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

- s. 7A-7D inserted by [2022 c. 3 Sch. 1 para. 3](#)
- s. 31E(4) inserted by [2022 c. 3 Sch. 1 para. 7\(3\)](#)
- s. 649(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 11\(2\)](#)
- s. 679(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(5\)\(b\)](#)
- s. 679A(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(6\)\(b\)](#)
- s. 680(1A) inserted by [2023 c. 30 Sch. 2 para. 11\(7\)\(a\)](#)