

SCHEDULES

SCHEDULE 13

COMPANY GAINS FROM INVESTMENT LIFE INSURANCE CONTRACTS

Commencement

- 7 (1) This paragraph applies where—
- (a) the relevant company was a party to an investment life insurance contract immediately before the beginning of the first accounting period of the company beginning on or after 1 April 2008,
 - (b) at all times since the contract was made the rights conferred by the contract have been in the beneficial ownership of the company,
 - (c) the company brings into account credits and debits in respect of the contract on the basis of fair value accounting, and
 - (d) the relevant amount exceeds the fair value of the contract immediately before the beginning of that accounting period.
- (2) In sub-paragraph (1)(d) “the relevant amount” means—
- (a) where section 541 of ICTA applies on the deemed surrender under paragraph 6(1), the amount specified in sub-paragraph (i) of subsection (1)(b) of that section less the amount or value of any relevant capital payments (as defined in subsection (5)(a) of that section), or
 - (b) where section 543 of that Act applies on that deemed surrender, the amount specified in sub-paragraph (i) of subsection (1)(a) of that section less the amount or value of any relevant capital payments (as defined in subsection (3) of that section).
- (3) No amount is to be brought into account as a credit by virtue of paragraph 2 in relation to the contract except to the extent that the aggregate of—
- (a) the amount of the credit, and
 - (b) the total of any other credits which have previously arisen in relation to the contract by virtue of that paragraph,
- is greater than the excess mentioned in sub-paragraph (1)(d).