



# Corporation Tax Act 2009

## 2009 CHAPTER 4

### PART 6

#### RELATIONSHIPS TREATED AS LOAN RELATIONSHIPS ETC

### CHAPTER 11

#### INVESTMENT LIFE INSURANCE CONTRACTS

##### *Investment life assurance contracts treated as creditor relationships*

#### **563 Increased non-trading credits for BLAGAB and EEA taxed contracts**

- (1) This section applies if—
  - (a) as a result of section 562 the relevant company is required to bring into account for an accounting period a non-trading credit representing a profit from a related transaction, and
  - (b) the investment life insurance contract is—
    - (i) a BLAGAB contract, or
    - (ii) a contract which is subject to a relevant comparable EEA tax charge.
- (2) For the meaning of “BLAGAB contract” and of a contract being subject to a relevant comparable EEA tax charge, see section 564.
- (3) The non-trading credit is treated as increased by the relevant amount.
- (4) The relevant amount is set off against corporation tax assessable on the company for the accounting period.
- (5) Except where section 565 (relevant amount where the relevant company uses fair value accounting) applies, the relevant amount is—

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*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](#)

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$$\text{NTC} \times \frac{\text{AR}}{100 - \text{AR}}$$

where—

NTC is the non-trading credit, and

AR is the appropriate rate for the accounting period.

- (6) The appropriate rate for an accounting period is—
- (a) if a single rate of tax under [<sup>F1</sup>section 102(3) of FA 2012] (lower corporation tax rate on certain insurance company profits) is applicable in relation to the accounting period, that rate, and
  - (b) if more than one such rate of tax is applicable in relation to the accounting period, the average of those rates over the accounting period.

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**Textual Amendments**

**F1** Words in s. 563(6)(a) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 166](#)

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**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](#)