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STATUTORY INSTRUMENTS

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**2013 No. 1820**

**INCOME TAX**

**The Life Insurance Qualifying Policies (Statement and Reporting Requirements) Regulations 2013**

<i>Made</i>	- - - -	<i>19th July 2013</i>
<i>Laid before the House of Commons</i>	- - - -	<i>22nd July 2013</i>
<i>Coming into force</i>	- -	<i>12th August 2013</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 552ZB(1) of, and paragraph B3(2), (7) and (9)(c) of Schedule 15 to, the Income and Corporation Taxes Act 1988<sup>(1)</sup>.

**Citation and commencement and interpretation**

1.—(1) These Regulations may be cited as the Life Insurance Qualifying Policies (Statement and Reporting Requirements) Regulations 2013 and come into force on 12 August 2013.

(2) In these Regulations, “Schedule 15” means Schedule 15 to the Income and Corporation Taxes Act 1988.

**Statement by beneficiary**

2.—(1) In relation to a statement made under paragraph B3(2) of Schedule 15, the prescribed matters are set out in paragraphs (2) to (6).

(2) The following information must be given in the statement in all cases—

- (a) the beneficiary's full name;
- (b) the beneficiary's date of birth;
- (c) the beneficiary's address including postcode;
- (d) the beneficiary's National Insurance number (if any);
- (e) whether the beneficiary is a beneficiary under any other qualifying policy—
  - (i) issued on or after 6 April 2013, or
  - (ii) issued before that date but in relation to which a premium limit event has occurred;

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(1) 1988 c.1; section 552ZB of, and paragraph B3 of Schedule 15 to, the Income and Corporation Taxes Act 1988 were inserted by paragraphs 3 and 10 of Schedule 9 to the Finance Act 2013 (c. 29).

- (f) a statement that the beneficiary is—
    - (i) not in breach of the premium limit for qualifying policies at the date the statement is made; or
    - (ii) in breach of the premium limit for qualifying policies at the date the statement is made but the policy in respect of which the statement is made is a restricted relief qualifying policy;
  - (g) whether the event giving rise to the statement is an event within paragraph B3(1)(d) of Schedule 15 (protected policies within paragraph A2(12) of Schedule 15 - endowment policies);
  - (h) the date the statement is made; and
  - (i) confirmation that the statement is correct and complete to the best of the beneficiary's knowledge and belief.
- (3) Where the beneficiary is not the sole beneficiary under the policy in respect of which the statement is made, the statement must include details of the beneficiary's proportionate share of the rights under the policy.
- (4) Where there has been a variation of a policy within paragraph B3(1)(b) or (c) of Schedule 15, the statement must also include the following information—
- (a) the date of the variation; and
  - (b) details of any variation in relation to the period over which premiums are payable under the policy.
- (5) Where there has been an assignment within paragraph B3(1)(e) of Schedule 15, the statement must also include the following information —
- (a) the date of the assignment; and
  - (b) if the policy was issued on or after 6 April 2013, the name and address of the previous beneficiary.
- (6) For the purpose of paragraph (2)(f), whether a beneficiary is in breach of the premium limit for qualifying policies is determined in accordance with paragraph A3(1) of Schedule 15.

### **Exceptions to the requirement to make a statement**

- 3.** A beneficiary is not required to make a statement under paragraph B3(2) of Schedule 15 in the following circumstances—
- (a) on the issue of a policy, if—
    - (i) the information that must be included in a statement has been provided to the issuer in connection with the application for the issue of that policy, and
    - (ii) that information has not changed since making the application;
  - (b) on an assignment of a share in any rights under a policy, if—
    - (i) the beneficiary has previously made a statement under paragraph B3(2) of Schedule 15 in respect of that policy, and
    - (ii) that information has not changed since making that statement;
  - (c) on a deceased beneficiary event, if before the event the beneficiary is a beneficiary under the policy in relation to which the event occurs.

#### **Applications and statements not in writing**

4. Where an application for the issue of a qualifying policy or a statement made under paragraph B3(2) of Schedule 15 is not in writing—

- (a) the relevant person must, within 3 business days of receiving the application or statement, make a written record of the information given in the application or statement;
- (b) the relevant person must send a copy of the written record to the applicant or beneficiary within 20 business days of making it; and
- (c) the applicant or beneficiary must notify the relevant person of any errors in the written record within 30 days of receiving it and the relevant person must amend the application or statement accordingly.

#### **Reporting requirements of relevant person**

5.—(1) A relevant person must provide the following information to an officer of Revenue and Customs within 3 months of the end of a tax year—

- (a) where in relation to a policy a statement has been made under paragraph B3(2) of Schedule 15 in that year, the information given in the statement;
- (b) where a policy has been issued in that year and regulation 3(a) applied in relation to the issue of that policy, the information given on the application for the issue of the policy;
- (c) in relation to any policy within sub-paragraphs (a) or (b) and any policy which ceased, terminated, matured or in relation to which the premiums payable have reduced in that year—
  - (i) the date the policy was issued;
  - (ii) the policy identification reference;
  - (iii) the premiums payable under the policy.

(2) This regulation does not apply to qualifying policies issued before 6 April 2013 or to pure protection policies.

#### **Amendment to the Life Assurance and Other Policies (Keeping of Information and Duties of Insurers) Regulations 1997**

6.—(1) The Life Assurance and Other Policies (Keeping of Information and Duties of Insurers) Regulations 1997(2) are amended as follows.

(2) In regulation 2 (interpretation), in paragraph (3)—

(a) for the words “if, on” substitute—

“if—

(a) on”; and

(b) at the end insert—

“, or

(b) it is a qualifying policy”.

(3) In regulation 3 (general keeping of records)—

(a) at the end of sub-paragraph (b) omit “and”;

(b) at the end of sub-paragraph (c) insert—

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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“(d) to ascertain whether there has been or is likely to be any contravention of the requirements of the regulations made under section 552ZB(1), and

(e) to verify any information provided to an officer of Revenue and Customs as required by the regulations made under section 552ZB(1)”.

(4) In regulation 9 (inspection of records by officers of the Board) at the end of paragraph 1 after “regulation 8” insert “or required by regulation 3(d) and (e).”.

*Edward Troup*

*Ruth Owen*

Two of the Commissioners for Her Majesty's  
Revenue and Customs

19th July 2013

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Changes to the Life Insurance Qualifying Policy regime were introduced by Finance Act 2013 which inserted section 552ZB and paragraph B3 to Schedule 15 of the Income and Corporation Taxes Act 1988 (“the Taxes Act”). The provisions require beneficiaries of qualifying policies to make statements and insurers to report information to HMRC in respect of qualifying policies.

Regulation 1 provides for the citation and commencement of these regulations.

Regulation 2 prescribes the matters that are to be set out in a statement by a beneficiary under paragraph B3 of Schedule 15 of the Taxes Act.

Regulation 3 provides for exceptions to the requirement to make a statement.

Regulation 4 provides that applications for the issue of qualifying policies and statements can be made other than in writing.

Regulation 5 provides the reporting requirements of relevant persons to HMRC.

Regulation 6 amends the Life Assurance and Other Policies (Keeping of Information and Duties of Insurers) Regulations 1997 to ensure that records in relation to qualifying policies are kept and can be inspected by HMRC.

Tax Information and Impact Notes covering this instrument were published on 11 December 2012 and 20 March 2013 alongside draft legislation and are available on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>. They remain an accurate summary of the impacts that apply to this instrument.