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SCHEDULES

SCHEDULE 14

PROVISIONS ANCILLARY TO SECTION 266

PART I

MODIFICATION OF SECTION 266 IN CERTAIN CASES

*[<sup>F1</sup>Spouses and civil partners]*

Textual Amendments

**F1** Cross-heading preceding Sch. 14 para. 1 substituted (5.12.2005) by virtue of [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\), 101\(3\)](#)

- 1 <sup>F2</sup>(1) In section 266—
- (a) references to an individual's spouse include any person who—
    - (i) was that individual's spouse at the time the insurance or contract was made, or
    - (ii) became that individual's spouse after the insurance or contract was made,unless the marriage was dissolved before 6th April 1979, and
  - (b) references to an individual's civil partner include any person who—
    - (i) was that individual's civil partner at the time the insurance or contract was made, or
    - (ii) became that individual's civil partner after the insurance or contract was made.]
- <sup>F3</sup>(1A) But an individual is entitled to relief by virtue of sub-paragraph (1)(a)(ii) or (b)(ii) only in respect of premiums payable after the date on which the person in question became that individual's spouse or civil partner.]

<sup>F4</sup>(2) . . . . .

<sup>F4</sup>(3) . . . . .

Textual Amendments

- F2** [Sch. 14 para. 1\(1\)](#) substituted (1.4.2011 with effect in accordance with art. 6(3) of the amending S.I.) by The Enactment of [Extra-Statutory Concessions Order 2011 \(S.I. 2011/1037\)](#), [arts. 1, 6\(1\)](#)
- F3** [Sch. 14 para. 1\(1A\)](#) inserted (1.4.2011 with effect in accordance with art. 6(3) of the amending S.I.) by The Enactment of [Extra-Statutory Concessions Order 2011 \(S.I. 2011/1037\)](#), [arts. 1, 6\(2\)](#)

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**F4** Sch. 14 para. 1(2)(3) repealed by Finance Act 1988 (c. 39), **Sch.14 Part VIII**, Note 6

*Premiums payable to friendly societies and industrial assurance companies*

- 2 (1) <sup>M1</sup> This paragraph applies to—
- (a) a policy issued in the course of an industrial assurance business; and
  - (b) a policy issued by a [<sup>F5</sup>friendly society] in the course of tax exempt life or endowment business (as defined in section 466).
- [<sup>F6</sup>(1A) In sub-paragraph (1)(a) “industrial assurance business” means any industrial assurance business within the meaning given by—
- (a) section 1(2) of the Industrial Assurance Act 1923, or
  - (b) Article 3(1) of the Industrial Assurance (Northern Ireland) Order 1979, which was carried on before 1 December 2001.]
- (2) Subject to paragraph 3(2) below, if a policy to which this paragraph applies was issued before the passing of the Finance Act 1976 (29th July 1976), section 266 shall have effect in relation to it as if subsections (2)(b), (3)(a), (b) and (d) were omitted; and if a policy to which this paragraph applies was issued after the passing of that Act, subsection (2)(b) of that section shall have effect in relation to it as if it permitted the insurance to be on the life of the individual’s parent or grandparent or, subject to sub-paragraph (3) below, on the life of the individual’s child or grandchild.
- (3) Relief may be given in respect of premiums under a policy of insurance on the life of an individual’s child or grandchild which was or is issued after the passing of the Finance Act 1976 (29th July 1976), as if subsection (3)(d) of section 266 were omitted, but may be given only if the annual amount of the premiums, together with that of any relevant premiums, does not exceed £52 if the policy was issued in respect of an insurance made before 25th March 1982 or £64 in any other case.
- (4) For the purposes of sub-paragraph (3) above, a relevant premium, in relation to an insurance made at any time on the life of an individual’s child or grandchild, is any premium under a policy of insurance on the same life, where the insurance is made at the same time or earlier, whether it is made by the individual or any other person.
- (5) In this paragraph “child” includes a step-child and an illegitimate child whose parents have married each other after his birth, and “grandchild”, “parent” and “grandparent” have corresponding meanings.

**Textual Amendments**

- F5** Words in Sch. 14 para. 2(1)(b) substituted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, **Sch. 9 para. 18(2)**; S.I. 1993/236, **art.2**
- F6** Sch. 14 para. 2(1A) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 232(2)** (with Sch. 2)

**Marginal Citations**

- M1** Source—1976 Sch.4 11; 1979/1576; 1982 s.35(2), (4); 1970 s.10

- 3 (1) <sup>M2</sup> Where a policy is issued or a contract is made by a [<sup>F7</sup>friendly society] or a policy to which paragraph 2 above applies is issued by an industrial assurance company,

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section 266(4), (5) and (8) shall apply in relation to premiums payable under the policy or contract subject to the following provisions of this paragraph.

- (2) References to the deductions authorised under section 266(5) shall be construed as including references to any amount retained by or refunded to the person paying the premium under any scheme made by the society or company in accordance with regulations made under this paragraph.
- (3) The appropriate authority may make regulations authorising—
  - (a) the adoption by [<sup>F7</sup>friendly societies] and industrial assurance companies of any prescribed scheme for securing that in the case of policies or contracts to which the scheme applies amounts equal to [<sup>F8</sup>12.5 per cent.] of the premiums payable are retained by or refunded to the person paying the premiums or that, in the case of such policies or contracts issued or made before 6th April 1979, the amounts expressed as the amounts of the premiums payable are treated as amounts arrived at by deducting [<sup>F8</sup>12.5 per cent.] from the amounts payable and that the amounts of the capital sums assured or guaranteed are treated as correspondingly increased; or
  - (b) the adoption by any such society or company of any special scheme for that purpose which may, in such circumstances as may be prescribed, be approved by the appropriate authority.
- (4) Increases treated as made in pursuance of regulations under this paragraph shall not be treated as variations of a policy or contract and shall be disregarded for the purposes of paragraph 2(3) above, sections 268(6), 460, 461(1) and 464 of, and paragraph 7 of Schedule 15 to, this Act <sup>F9</sup> . . . .
- (5) The regulations may include such adaptations and modifications of the enactments relating to friendly societies or industrial assurance companies and such other incidental and supplementary provisions as appear to the appropriate authority necessary or expedient for the purpose of enabling such societies or companies to adopt the schemes authorised by the regulations.
- (6) Subsections (4), (5) and (7) to (11) of section 6 of the <sup>M3</sup>Decimal Currency Act 1969 shall, with the necessary modifications, apply in relation to regulations made under this paragraph.

#### Textual Amendments

- F7** Words in Sch. 14 para. 3(1)(3)(a) substituted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, Sch. 9 para. 18(2)(3); S.I. 1993/236, art.2
- F8** Words in Sch. 14 para. 3(3)(a) substituted (6.4.1989) by Finance Act 1988 (c. 39), s. 29
- F9** Words in Sch. 14 para. 3(4) repealed (with effect in accordance with s. 173 of the repealing Act) by Finance Act 1989 (c. 26), Sch. 17 Pt. 9, Note

#### Marginal Citations

- M2** Source—1976 Sch.4 13; 1978 Sch.3 7; 1980 s.29(2)(c); 1987 Sch.15 9
- M3** 1969 c.19.

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

- Act Tax Acts: power to modify conferred by [2004 c. 25 s. 18](#)
- Act Taxes Acts modified by 1970 c. 9, Sch. A1 para. 10(7) (as inserted) by [2017 c. 32 s. 60\(3\)](#)
- Act Taxes Acts modified by 1970 c. 9, s. 8(7) (as inserted) by [2017 c. 32 Sch. 14 para. 3\(15\)](#)
- Act Taxes Acts modified by 1970 c. 9, s. 8A(7) (as inserted) by [2017 c. 32 Sch. 14 para. 4\(12\)](#)
- Act applied (with modifications) by [S.I. 2010/875 reg. 16Sch. 2](#) (This amendment not applied to legislation.gov.uk. S.I. 2010/875 was revoked (27.8.2010) by SI 2010/1906, reg. 2 without having come into force)

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

- s. 109A(4B) inserted by [2005 c. 7 Sch. 4 para. 6\(3\)](#) (This amendment not applied to legislation.gov.uk. The amending provision (2005 c. 7, Sch. 4 para. 6) repealed retrospectively by 2005 c. 22, Sch. 6 para. 4(1)(6))
- Sch. 19AB para. 5(5)(a)(b) words substituted by [S.I. 2001/3629 art. 52\(2\)\(n\)](#) (This amendment not applied to legislation.gov.uk. The words to be substituted do not occur in Sch. 19AB para. 5)