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## SCHEDULES

### SCHEDULE 15

#### QUALIFYING POLICIES

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**Modifications etc. (not altering text)**

- C1** Sch. 15 modified by Finance Act 1991 (c. 31, SIF 63:1), s. 50, Sch. 9 para. 5 (2)  
**C1** Sch. 15 modified (1.5.1995) by Finance Act 1995 (c. 4), Sch. 10 para. 4(2)(3)

#### PART I

#### QUALIFYING CONDITIONS

#### [<sup>F1</sup>RULES FOR QUALIFYING POLICIES

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**Textual Amendments**

- F1** Sch. 15 paras. B1-B3, cross-headings and preceding heading inserted (17.7.2013) by Finance Act 2013 (c. 29), Sch. 9 para. 3

#### *Rights to be beneficially owned by individuals only*

- B1** (1) Sub-paragraph (2) applies in relation to a policy issued in respect of an insurance made on or after 6 April 2013.
- (2) In order for the policy to be a qualifying policy, when it is issued all the rights under it must be beneficially owned by (and only by)—
- (a) one individual, or
  - (b) two or more individuals taken together.
- (This is the case notwithstanding any other provision of this Schedule.)
- (3) Sub-paragraph (2) does not apply if the policy is protected.
- (4) A policy is “protected” if it is a new policy (as defined in paragraph 17 below) in relation to—
- (a) a policy issued in respect of an insurance made before 21 March 2012, or
  - (b) a policy which is protected (whether by virtue of paragraph (a) or this paragraph).

#### *Assignments*

- B2** (1) Sub-paragraph (2) applies if any rights under a qualifying policy are, or any share in any rights under a qualifying policy is, assigned on or after 6 April 2013.

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- (2) The policy is not to be a qualifying policy after the assignment (notwithstanding any other provision of this Schedule).
- (3) Sub-paragraph (2) does not apply if—
- (a) the assignment is from an individual by way of security for a debt of the individual,
  - (b) the assignment is to an individual on the discharge of a debt of the individual secured by the rights or share,
  - (c) the assignment is from an individual to the individual's spouse or civil partner,
  - (d) the assignment is to an individual in pursuance of an order made by a court,
  - (e) the assignment is to an individual in pursuance of a legally enforceable obligation relating to a divorce or the dissolution of a civil partnership,
  - (f) the assignment is from an individual and, as a result of the assignment, the rights assigned are, or the share assigned is, held on trusts created by the individual,
  - (g) the assignment is to an individual and, as a result of the assignment, the rights assigned are, or the share assigned is, no longer held on trusts, or
  - (h) the assignment—
    - (i) is to the personal representatives of a deceased individual, or
    - (ii) is to an individual where, as a result of the assignment, a deceased beneficiary event (see paragraph A6(2) above) occurs.
- (4) Section 465(6) of ITTOIA 2005 applies for the purposes of sub-paragraph (3)(f).
- (5) The Commissioners for Her Majesty's Revenue and Customs may by regulations provide that sub-paragraph (2) does not apply if prescribed conditions are met in relation to the assignment.
- “Prescribed” means prescribed by the regulations.
- (6) Regulations under sub-paragraph (5) may—
- (a) make different provision for different cases or circumstances, and
  - (b) contain incidental, supplementary, consequential, transitional, transitory or saving provision.
- (7) See paragraphs A1 and A2 above which may apply in consequence of an assignment falling within sub-paragraph (3) or (5).

*Required statements*

- B3 (1) Sub-paragraph (2) applies if any of the following events occurs—
- (a) the issue of a policy in respect of an insurance made on or after 6 April 2013;
  - (b) the variation of a policy on or after 6 April 2013 where paragraph 18 below applies in relation to the variation and as a result of the variation—
    - (i) the period over which premiums are payable under the policy is or could be lengthened, or
    - (ii) the total amount of the premiums payable under the policy in any relevant period is or could be increased,
 or both;

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- (c) a premium limit event in relation to a protected policy on or after 6 April 2013 (see paragraph A2(9) to (12) above);
  - (d) an event on or after 6 April 2013 which would be a premium limit event in relation to a protected policy but for paragraph A2(12) above;
  - (e) the assignment on or after 6 April 2013 of any rights, or any share in any rights, under a policy where the assignment falls within paragraph B2(3)(c) to (g) or (5) above;
  - (f) a deceased beneficiary event (see paragraph A6(2) above) on or after 6 April 2013;
  - (g) the conditions in paragraph 24(3) below being fulfilled for the first time in respect of a new non-resident policy where—
    - (i) the conditions are fulfilled for the first time on or after 6 April 2013, and
    - (ii) but for the conditions being fulfilled, the policy could not be a qualifying policy because of paragraph 24(2).
- (2) Each individual who is a beneficiary under the policy must, before the end of the statement period, make to the issuer of the policy a statement dealing with the prescribed matters.
- (3) If an individual does not comply with sub-paragraph (2) the policy is not to be a qualifying policy after the event (notwithstanding any other provision of this Schedule).
- (4) In sub-paragraph (1)(b)(ii) “relevant period” means any period of 12 months beginning at or after the time of the variation.
- (5) Sub-paragraph (2)—
- (a) does not apply in the case of an event mentioned in sub-paragraph (1)(a), (e), (f) or (g) if the policy is a pure protection policy, and
  - (b) does not apply in the case of an event mentioned in sub-paragraph (1)(b), (c) or (d) if the policy is a pure protection policy both before and after the event.
- “Pure protection policy” has the meaning given by paragraph A6(1)(c) above.
- (6) Sub-paragraph (2) does not apply in the case of an event mentioned in sub-paragraph (1)(e) where the assignment falls within paragraph B2(3)(e) above and is a mortgage endowment assignment.
- “Mortgage endowment assignment” is to be read in accordance with paragraph A6(3) above.
- (7) The Commissioners for Her Majesty's Revenue and Customs may by regulations provide that an individual is not required to comply with sub-paragraph (2) if prescribed conditions are met.
- “Prescribed” means prescribed by the regulations.
- (8) Accordingly, if by virtue of regulations under sub-paragraph (7) an individual is not required to comply with sub-paragraph (2), sub-paragraph (3) does not apply because that individual does not comply with sub-paragraph (2).
- (9) In sub-paragraph (2)—
- (a) the reference to an individual who is a beneficiary under the policy is to be read in accordance with paragraph A5 above,

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- (b) “the statement period” means—
    - (i) the period of 3 months after the day on which the event occurs, or
    - (ii) if the event occurs before the day on which the first regulations under paragraph (c) below come into force, the period of 3 months after that day,or such longer period as an officer of Revenue and Customs may allow, and
  - (c) “prescribed” means prescribed by regulations made by the Commissioners for Her Majesty's Revenue and Customs.
- (10) An officer of Revenue and Customs may allow a longer period for the purposes of sub-paragraph (9)(b) only if—
- (a) the individual in question has made a request in writing to an officer of Revenue and Customs for a longer period to be allowed, and
  - (b) such an officer is satisfied—
    - (i) that there is a reasonable excuse for the required statement not having been made within the period mentioned in sub-paragraph (9)(b)(i) or (ii), and
    - (ii) that the request under paragraph (a) was made without unreasonable delay after the reasonable excuse ceased.
- (11) Sub-paragraph (12) applies in relation to a policy if the obligations under the policy of its issuer are at any time the obligations of another person (“the transferee”) to whom there has been a transfer of the whole or any part of a business previously carried on by the issuer.
- (12) In relation to that time, in sub-paragraph (2) the reference to the issuer of the policy is to be read as a reference to the transferee.
- (13) Regulations under sub-paragraph (7) or (9)(c) may—
- (a) make different provision for different cases or circumstances, and
  - (b) contain incidental, supplementary, consequential, transitional, transitory or saving provision.]

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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 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)