



Finance Act 1995

1995 CHAPTER 4

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Insurance policies

55 Qualifying life insurance policies

- (1) Subject to subsections (2) and (3) below—
 - (a) paragraph 21 of Schedule 15 to the Taxes Act 1988 (certification of policies and of standard forms etc.) shall not apply, in relation to any time on or after 5th May 1996, for determining whether a policy is or would be a qualifying policy at that time; and
 - (b) no certificate may be issued under that paragraph at any time on or after that date except, in the case of a certificate under sub-paragraph (1)(a) of that paragraph, in relation to a time before that date.
- (2) Subsection (1) above shall not affect the right of any person to bring or continue with an appeal under paragraph 21(3) of that Schedule against either a refusal before 5th May 1996 to certify any policy or a refusal on or after that date to certify any policy in relation to times before that date.
- (3) A certificate issued—
 - (a) before 5th May 1996 in pursuance of paragraph 21(1)(a) of that Schedule, or
 - (b) in pursuance of a determination on an appeal determined after that date by virtue of subsection (2) above,shall, in relation to any time on or after that date or, as the case may be, the date on which it is issued, be conclusive evidence that the policy to which it relates is (subject to any variation of the policy) a qualifying policy.
- (4) Paragraph 22 of that Schedule (certificates from body issuing policy) shall cease to have effect in relation to any time on or after 5th May 1996.

Status: This is the original version (as it was originally enacted).

- (5) Paragraph 24 of that Schedule (policies issued by non-resident companies) shall have effect in relation to times on or after 5th May 1996—
- (a) with the substitution of the following sub-paragraphs for sub-paragraph (2)—
- “(2) Subject to section 55(3) of the Finance Act 1995 (transitional provision for the certification of certain policies), a new non-resident policy that falls outside sub-paragraph (2A) below shall not be a qualifying policy until such time as the conditions in sub-paragraph (3) are fulfilled with respect to it.
- (2A) A policy falls outside this sub-paragraph unless, at the time immediately before 5th May 1996, it was a qualifying policy by virtue of sub-paragraphs (2)(b) and (4) of this paragraph, as they had effect in relation to that time.”; and
- (b) with the omission, in sub-paragraph (3), of the word “first” and of sub-paragraph (4).
- (6) In paragraph 25 of that Schedule (policies substituted for policies issued by non-resident companies), for sub-paragraph (2) there shall be substituted the following sub-paragraph—
- “(2) The modifications are the following—
- (a) if, apart from paragraph 24, the old policy or any related policy (within the meaning of paragraph 17(2)(b)) of which account falls to be taken would have been a qualifying policy, that policy shall be assumed to have been a qualifying policy for the purposes of paragraph 17(2); and
- (b) if, apart from this paragraph, the new policy would be a qualifying policy, it shall not be such a policy unless the circumstances are as specified in paragraph 17(3); and
- (c) in paragraph 17(3)(c) the words “either by a branch or agency of theirs outside the United Kingdom or” shall be omitted;
- and references in this sub-paragraph to being a qualifying policy shall have effect, in relation to any time before 5th May 1996, as including a reference to being capable of being certified as such a policy.”
- (7) In paragraph 27(1) of that Schedule, except so far as it has effect for the purposes of any case to which paragraph 21 of that Schedule applies by virtue of the preceding provisions of this section, for “paragraphs 21 and” there shall be substituted “paragraph”.
- (8) In section 553 of the Taxes Act 1988 (which contains provisions referring to paragraph 24(3) or (4) of Schedule 15 to that Act)—
- (a) in subsection (2), for the words from “neither” to “fulfilled” there shall be substituted “the conditions in paragraph 24(3) of Schedule 15 to this Act are not fulfilled”; and
- (b) in subsection (7), for “either sub-paragraph (3) or sub-paragraph (4)” there shall be substituted “sub-paragraph (3)”;
- but this subsection shall not affect the operation of Chapter II of Part XIII of that Act in relation to any policy in relation to which the conditions in paragraph 24(4) of Schedule 15 to that Act, as it then had effect, were fulfilled at times in accounting

periods before those in relation to which section 103 of the Finance Act 1993 (which repealed section 445 of the Taxes Act 1988) had effect.