

*These notes refer to the Income Tax (Trading and Other Income)
Act 2005 (c.5) which received Royal Assent on 24 March 2005*

INCOME TAX (TRADING AND OTHER INCOME) ACT 2005

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Schedule 2: Transitionals and savings etc.

Part 6: Savings and investment income: insurance contracts and policies made before certain dates

Paragraph 105: Pre-14th March 1984 policies: disregard of amounts deducted and repaid after tax relief by deduction from premiums abolished

3608. Certain amounts were treated under section 72(9) of FA 1984 as additional premiums paid on 5 August 1984 only. This treatment arose exceptionally from the abolition of the right to deduct tax relief from premiums paid to the insurer and applied for limited purposes (which did not include the calculation of chargeable event gains). This paragraph ensures that such amounts are disregarded in computing gains for the purposes of certain calculations in Chapter 9 of Part 4 of this Act. It is based on section 541(6) of ICTA.