

*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**

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## **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 96: Pre-20th March 1968 policies and contracts excluded from Chapter 9 of Part 4*

3589. This paragraph excludes certain policies and contracts from the scope of Chapter 9 of Part 4 of this Act. It is based on section 539 of ICTA.
3590. *Sub-paragraph (2)* removes that exclusion where the policy or contract is varied after the relevant date in certain circumstances. This is a common feature of the chargeable event gains regime. It prevents the exploitation of policies and contracts which benefit from a particular rule in relation to a specific date, where the later variation could increase the value of that benefit to a degree not contemplated by the provision.
3591. *Sub-paragraph (3)* restricts the effect of sub-paragraph (2) where the variation was made by 31 December 1968 to comply with certain provisions for qualifying policies (as at that time, under the predecessor to Schedule 15 of ICTA).