



Corporation Tax Act 2009

2009 CHAPTER 4

PART 6

RELATIONSHIPS TREATED AS LOAN RELATIONSHIPS ETC

CHAPTER 11

INVESTMENT LIFE INSURANCE CONTRACTS

Investment life assurance contracts treated as creditor relationships

562 Contract to be loan relationship

- (1) If a relevant company is a party to an investment life insurance contract, for the purposes of Part 5 (loan relationships) the contract is, in relation to the company, a creditor relationship of the company.
- (2) Subsection (1) is subject to subsection (4).
- (3) Subsection (4) applies if—
 - (a) the amount or value of a lump sum payable under an investment life contract by reason of death or the onset of critical illness, exceeds
 - (b) the surrender value of the contract immediately before the time when the lump sum becomes payable.
- (4) If this subsection applies, that excess is not to be brought into account as a credit under Part 5 representing a profit from a related transaction arising as a result of the lump sum becoming payable.