

Approval of contracts for dependants or for life assurance. ITA67 s235A(1) to (6); FA74 s66 785.—(1) The Revenue Commissioners may approve for the purposes of this Chapter a contract made by an individual with a person (in subsection (2) referred to as “the insurer”) lawfully carrying on in the State the business of granting annuities on human life if—

(a) the main benefit secured by the contract is the provision of an annuity for the wife or husband of the individual or for any one or more dependants of the individual, or

(b) the sole benefit secured by the contract is the provision of a lump sum on the death of the individual before he or she attains the age of 70 years (3)(d)), being a lump sum payable to the individual's personal representatives.

(2) The Revenue Commissioners shall not approve a contract made by an individual with the insurer under subsection (1)(a) unless it appears to them to satisfy the following conditions—

(a) that any annuity payable to the wife or husband or dependant of the individual commences on the death of the individual;

(b) that any annuity payable under the contract to the individual commences at a time after the individual attains the age of 60 years and, unless the individual's annuity is one to commence on the death of a person to whom an annuity would be payable under the contract if that person survived the individual, cannot commence after the time when the individual attains the age of 70 years (3)(d));

(c) that the contract does not provide for the payment by the insurer of any sum, other than any annuity payable to the individual's wife or husband or dependant or to the individual except, in the event of no annuity becoming payable under the contract, any sums payable to the individual's personal representatives by means of return of premiums, reasonable interest on premiums or bonuses out of profits;

(d) that the contract does not provide for the payment of any annuity otherwise than for the life of the annuitant;

(e) that the contract provides that no annuity payable under it shall be capable in whole or in part of surrender, commutation or assignment.

(3) The Revenue Commissioners may, if they think fit and subject to any conditions they think proper to impose, approve a contract under subsection (1)(a), notwithstanding that in one or more respects it does not appear to them to satisfy the conditions specified in subsection (2).

(4) Subsections (2) and (3) of section 784 shall not apply to the approval of a contract under this section.

(5) The Revenue Commissioners may approve a trust scheme or part of a trust scheme otherwise satisfying the conditions specified in paragraphs (a) to (c) of section 784 (4), notwithstanding that its main purpose

is to provide annuities for the wives, husbands and dependants of the individuals, or lump sums payable to the individuals' personal representatives on death, and—

(a) subsections (1) to (4) shall apply with any necessary modifications in relation to such approval,

(b) this Chapter shall apply to the scheme or part of the scheme when so approved as it applies to a contract approved under this section, and

(c) the exemption from income tax provided in section 784 (4) shall apply to the scheme or part of the scheme when so approved.

(6) Except where otherwise provided in this Chapter, any reference in the Income Tax Acts to a contract, scheme or part of a scheme approved under section 784 shall include a reference to a contract, scheme or part of a scheme approved under this section.