

General annuity business. CTA76 s40; FA86 s59(c) 716.—(1) In this section, “taxed income” means income charged to corporation tax, otherwise than under section 715, and franked investment income.

(2) In the case of a company carrying on general annuity business, the annuities paid by the company, in so far as referable to that business and in so far as they do not exceed the taxed income of the part of the annuity fund so referable, shall be treated as charges on income.

(3) Notwithstanding any other provision of the Corporation Tax Acts, any annuities which under subsection (2) are treated as charges on income of a company (in this subsection referred to as “the first-mentioned company”) for an accounting period shall not be allowed as deductions against any profits (whether of the first-mentioned company or of any other company) other than against that part of the total profits for the purposes mentioned in subsection (2)(a) of that section, any franked investment income) arising in that accounting period to the first-mentioned company from its general annuity business.

(4) In computing under section 715 the profits arising to an assurance company from general annuity business—

(a) taxed income shall not be taken into account as part of those profits, and

(b) of the annuities paid by the company and referable to general annuity business—

(i) those which under subsection (2) are treated as charges on income shall not be deductible, and

(ii) those which are not so treated shall, notwithstanding section 76, be deductible.

(5) A company not resident in the State which carries on through a branch or agency in the State any general annuity business shall not be entitled to treat any part of the annuities paid by it which are referable to that business as paid out of profits or gains brought into charge to income tax.