

Approval of certain other contracts. FA79 s28(1) to (3) 786.—(1) The Revenue Commissioners may, if they think fit and subject to any conditions they think proper to impose, approve an annuity contract under section 784, notwithstanding that the contract provides that the individual by whom it is made may require a sum representing the value of his or her accrued rights under the contract—

(a) to be paid by the person with whom it is made to such other person as the individual may specify, and

(b) to be applied by such other person in payment of the premium or other consideration under an annuity contract made between the individual and that other person and approved by the Revenue Commissioners under that section,

if the first-mentioned contract is otherwise to be approved by the Revenue Commissioners under that section.

(2) References in subsection (1) to the individual by whom a contract is made include references to any widow, widower or dependant having accrued rights under the contract.

(3) Where, in accordance with a provision of the kind referred to in subsection (1) of an annuity contract approved under section 784 or a corresponding provision of a contract approved under section 785 (1)(a), a sum representing the value of accrued rights under one contract (in this subsection referred to as “the original contract”) is paid by means of premium or other consideration under another contract (in this subsection referred to as “the substituted contract”), any annuity payable under the substituted contract shall be treated as earned income of the annuitant to the same extent that an annuity under the original contract would have been so treated.