

Foreign life assurance funds. CTA76 s42(1) to (5) and (8) 718.—(1) In this section, “foreign life assurance fund” means—

(a) any fund representing the amount of the liability of an assurance company in respect of its life business with policyholders and annuitants residing outside the State whose proposals were made to, or whose annuity contracts were granted by, the company at or through a branch or agency outside the State, and

(b) where such a fund is not kept separately from the life assurance fund of the company, such part of the life assurance fund as represents the liability of the company under such policies and annuity contracts, such liability being estimated in the same manner as it is estimated for the purposes of the periodical returns of the company.

(2) Corporation tax under Case III of Schedule D on income arising from securities and possessions in any place outside the State which form part of the investments of the foreign life assurance fund of an assurance company shall be computed on the full amount of the actual sums received in the State from remittances payable in the State, or from property imported, or from money or value arising from property not imported, or from money or value so received on credit or on account in respect of such remittances, property, money or value brought into the State without any deduction or abatement.

(3) Where—

(a) any securities issued by the Minister for Finance with a condition in the terms specified in section 43, or

(b) any stocks or other securities to which section 49 applies and which are issued with either or both of the conditions specified in subsection (2) of that section,

for the time being form part of the investments of the foreign life assurance fund of an assurance company, the income arising from any of those stocks or securities, if applied for the purposes of that fund or reinvested so as to form part of that fund, shall not be liable to corporation tax.

(4) Where the Revenue Commissioners are satisfied that any income arising from the investments of the foreign life assurance fund of an assurance company has been remitted to the State and invested as part of the investments of that fund in any stocks or securities of a type referred to in subsection (3), that income shall not be liable to corporation tax and any such tax paid on that income shall if necessary be repaid to the company on the making of a claim.

(5) Where income from investments of the foreign life assurance fund of an assurance company has been relieved from corporation tax in accordance with this section, a corresponding reduction shall be made—

(a) in the relief granted under section 707 in respect of expenses of management, and

(b) in any amount on which the company is chargeable to corporation tax by virtue of section 715—

(i) in respect of general annuity business, or

(ii) in respect of pension business,

in so far as the investment income relieved is referable to general annuity business or pension business, as the case may be.

(6) Where this section applies in relation to income arising from investments of any part of an assurance company's life assurance fund, it shall apply in the like manner in relation to chargeable gains accruing from the disposal of any such investments, and losses so accruing shall not be allowable losses.