

CHAPTER 5 Life assurance and deferred annuities

Life assurance and deferred annuities. CGTA75 s20 593.—(1) This section shall apply for the purposes of the Capital Gains Tax Acts as respects any policy of assurance or contract for a deferred annuity on the life of any person.

(2) No chargeable gain shall accrue on the disposal of or of an interest in the rights under any such policy of assurance or contract except where the person making the disposal is not the original beneficial owner and acquired the rights or interests for a consideration in money or money's worth.

(3) Subject to subsection (2), the occasion of the payment of the sum or sums assured by a policy of assurance or of the first instalment of a deferred annuity, and the occasion of the surrender of a policy of assurance or of the rights under a contract for a deferred annuity, shall be the occasion of a disposal of the rights under the policy of assurance or contract for a deferred annuity, and the amount of the consideration for the disposal of a contract for a deferred annuity shall be the market value at that time of the right to the first and further instalments of the annuity.

(4) In subsection (3), the reference to payment of the sum assured shall include a reference to the transfer of investments or other assets to the owner of the policy in accordance with the policy.