

Life business: computation of profits. CTA76 s38; FA93 s11(g) 714.—(1) For the purposes of sections 707 and 713, the exclusion by section 129 from the charge to corporation tax of franked investment income shall not prevent such income of a company resident in the State attributable to the investments of the company's life assurance fund from being taken into account as part of the profits in computing trading income in accordance with the provisions applicable to Case I of Schedule D.

(2) The corporation tax which would have been paid by a company referred to in subsection (1) if it had been charged to tax in respect of its life business under Case I of Schedule D shall be computed for the purposes of section 707 as if so much of the trading income of the company in respect of its life business as does not exceed the franked investment income attributable by reference to section 713 (5) to the shareholders of the company were charged to corporation tax, notwithstanding section 21, at a rate per cent determined by the formula—

$$A / B \times 100$$

where—

A is the aggregate amount of the tax credits comprised in the franked investment income received in the accounting period concerned by the company in connection with its life business, and

B is the aggregate amount of that franked investment income.