HMRC - IPT05960 - When And How To Apply De Minimis Provision

The de minimis provision should be applied according to the facts known at the outset of the contract. The insurer will need to establish that:

the contract is a mixed (taxable and exempt) policy;

the entire premium paid for the policy is £500,000 or less (except cases shown in IPT05950);

the premium, when apportioned, shows a taxable element of 10% or less.

This apportionment must be carried out on a ‘just and reasonable’ basis.

Previous page

Next page