

1 No loss relief for losses from contracts for life insurance etc [j5800]

- (1) In section 152(8) of ITA 2007 (losses from miscellaneous transactions: cases that are not “section 1016 income”), after “ICTA” insert “or Chapter 9 of Part 4 of ITTOIA 2005”.
- (2) The amendment made by subsection (1) has effect in relation to losses made in the tax year 2009-10 or a subsequent tax year.
- (3) That amendment also has effect for the tax year 2008-09 in relation to a loss arising to a person under a policy of life insurance, a contract for a life annuity or a contract constituting a capital redemption policy if—
 - (a) the policy is issued in respect of an insurance made, or the contract is made, on or after 1 April 2009,
 - (b) the policy or contract is varied on or after that date so as to increase the benefits secured (any exercise of rights conferred by the policy or contract being regarded for this purpose as a variation),
 - (c) there is an assignment (or assignation) to the person (whether or not for money or money’s worth) on or after that date of the rights, or a share of the rights, conferred by the policy or contract, or
 - (d) all or part of the rights conferred by the policy or contract become held on or after that date as a security for a debt of the person.
- (4) Where—
 - (a) a person has made a claim under section 152 of ITA 2007 for the tax year 2008-09 or an earlier tax year in respect of a loss, and
 - (b) by virtue of the amendment made by subsection (1) no claim could have been made in respect of the loss had it been made in the tax year 2009-10,

no deduction may be made for the tax year 2009-10 or a subsequent tax year in accordance with step 2 or 3 in section 153 of ITA 2007 in respect of the loss.