
STATUTORY INSTRUMENTS

1992 No. 1655

The Friendly Societies (Modification of the Corporation Tax Acts) Regulations 1992

Modifications of section 212 of the Taxation of Chargeable Gains Act 1992

21.—(1) Paragraphs (2) to (4) prescribe modifications of section 212 of the Taxation of Chargeable Gains Act 1992⁽¹⁾ so far as it applies to the life or endowment business carried on by registered friendly societies, paragraph (5) prescribes a further modification of that section so far as it applies to the life or endowment business carried on by directive societies and paragraphs (6) and (7) prescribe further modifications of that section so far as it applies to the life or endowment business carried on by non-directive societies for accounting periods beginning on or after 6th April 1992.

(2) In subsection (2)—

(a) after the words “pension business” there shall be inserted the words “, to tax exempt basic life assurance and general annuity business”; and

(b) after the words “solely to” (where they secondly occur) there shall be inserted the word “taxable”.

(3) In subsection (3)(a) after the words “solely to” there shall be inserted the words “taxable basic life assurance and general annuity business, tax exempt”.

(4) In subsection (3)(b) for the words following “liabilities of” there shall be substituted the words “taxable basic life assurance and general annuity business.”

(5) In subsection (4)(b) for the words from “business” to “Finance Act 1989)” there shall be substituted the words “taxable basic life assurance and general annuity business”.

(6) For subsection (4) there shall be substituted—

“(4) For the purposes of subsection (2) above “the relevant chargeable fraction” in relation to assets other than linked assets is the fraction of which—

(a) the denominator is the mean of the opening and closing long term business liabilities, other than liabilities in respect of benefits to be determined by reference to the value of linked assets and liabilities of the overseas life assurance business; and

(b) the numerator is the mean of such of the opening and closing liabilities within paragraph (a) above as are liabilities of taxable basic life assurance and general annuity business.”

(7) After subsection (8) there shall be added—

“(9) In subsection (1) above “assets of an insurance company’s long term business fund” shall be construed in accordance with subsections (11) to (14) of section 432A of the Taxes Act 1988.”