
STATUTORY INSTRUMENTS

1995 No. 1916

The Friendly Societies (Modification of the Corporation Tax Acts) (Amendment) Regulations 1995

Amendments to the principal Regulations

6. After regulation 10 there shall be inserted the following regulations—

“Modifications of section 437 of the Taxes Act

10A.—(1) Paragraphs (2) and (3) prescribe modifications of section 437 of the Taxes Act(1) so far as it applies to the life or endowment business carried on by friendly societies for accounting periods ending on or after 6th April 1988 but beginning before 1st January 1992.

(2) In subsection (1) for the words “that business” there shall be substituted the words “taxable general annuity business”.

(3) After subsection (6) there shall be added—

“(7) In subsection (1) above “taxable general annuity business” means general annuity business other than general annuity business the profits arising from which are exempt from tax by virtue of section 460(1).”.

10B.—(1) Paragraph (2) prescribes a modification of section 437 of the Taxes Act so far as it applies to life or endowment business carried on by friendly societies for accounting periods beginning on or after 1st January 1992.

(2) In subsection (1A) there shall be inserted after the words “that they” the words “are referable to taxable basic life and general annuity business and”.

Modifications of section 440 of the Taxes Act

10C.—(1) Paragraphs (3) and (4) prescribe modifications of section 440 of the Taxes Act(2) so far as it applies to the life or endowment business carried on by friendly societies in a case specified in paragraph (2).

(2) A case specified in this paragraph is any case where, on or after 20th March 1990 but before 1st January 1995—

(a) A non-directive society becomes a directive society, or

(1) Section 437 was amended by paragraph 6 of Schedule 6 to the Finance Act 1990 with respect to accounting periods beginning on or after 1st January 1990 and by paragraphs 4(4) and 5 of Schedule 7 and Part V of Schedule 19 to the Finance Act 1991 with respect to accounting periods beginning on or after 1st January 1992.

(2) Section 440 was substituted by paragraphs 8 and 11(2) of Schedule 6 to the Finance Act 1990 with effect from 1st January 1990 and amended by paragraphs 6(1) and 18 of Schedule 7 to the Finance Act 1991 with respect to accounting periods beginning on or after 1st January 1992, by paragraph 14(22) of Schedule 10 to the Taxation of Chargeable Gains Tax Act 1992, by paragraphs 5 and 28(3) of Schedule 8 to the Finance Act 1995 with respect to accounting periods beginning on or after 1st January 1995, and by paragraph 1 of Schedule 9 to the Finance Act 1995.

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- (b) a non-directive society, pursuant to conditions imposed by the Friendly Societies Commission under section 37(8) of the Friendly Societies Act 1992⁽³⁾, separates the funds maintained in respect of the society's long term business from other funds maintained in respect of the society's business.
- (3) In subsection (1), before the words "If at any time" there shall be inserted the words "Subject to subsection (4A) below,".
- (4) After subsection (4) there shall be inserted—
 - "(4A) Subsection (1) above shall not have effect in relation to the transfer of assets from the category set out in paragraph (e) of subsection (4) above to the category set out in paragraph (d) of that subsection."."

(3) 1992 c. 40; section 37(8) was substituted by regulation 3 of S.I.1993/2519.