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STATUTORY INSTRUMENTS

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**2007 No. 2134**

**The Friendly Societies (Modification of the Corporation Tax Acts) (Amendment) Regulations 2007**

**Insertion of regulation 7A**

7. After regulation 7 (meaning of “long-term insurance fund” for a society which does not maintain separate assets) insert—

**“Modifications of section 431H of the Taxes Act**

**7A.—**(1) Paragraphs (2) to (4) prescribe modifications of section 431H of the Taxes Act<sup>(1)</sup> so far as it applies to the life or endowment business carried on by friendly societies.

(2) For subsection (1) substitute—

“(1) This section applies in relation to a friendly society which carries on two or more of the following—

- (a) life assurance business,
- (b) taxable PHI business,
- (c) tax exempt PHI business, and
- (d) insurance business of any other kind.”

(3) In subsection (2)—

- (a) omit the word “and” immediately following paragraph (a),
- (b) after paragraph (a) insert—

“(aa) taxable PHI business,  
(ab) tax exempt PHI business, and”, and

(c) in paragraph (b) for “the” substitute “any”.

(4) Omit subsections (3) and (4).”

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(1) Section 431H, together with section 431G, was substituted for section 432 by paragraph 4 of Schedule 8 to the Finance Act 2007 (c. 11).