



Finance Act 2012

2012 CHAPTER 14

PART 3

FRIENDLY SOCIETIES CARRYING ON LONG-TERM BUSINESS

Exemption for other business

165 Incorporated friendly societies

- (1) An incorporated friendly society which is a qualifying society is not liable to pay corporation tax (whether on income or chargeable gains) on its profits other than those arising from—
 - (a) life assurance business, or
 - (b) PHI business comprised in BLAGAB or eligible PHI business.
- (2) An incorporated friendly society is a qualifying society if it falls within any of cases A to C (but see section 168 for circumstances in which it ceases to be a qualifying society).
- (3) Case A is that, immediately before its incorporation, it was a registered friendly society which was a qualifying society within the meaning of section 164.
- (4) Case B is that—
 - (a) it was formed otherwise than by the incorporation of a registered friendly society or the amalgamation of two or more friendly societies, and
 - (b) its business is limited to the provision, in accordance with its rules, of benefits for or in respect of employees of a particular employer or such other group of persons as is for the time being approved for the purposes of this section by HMRC Commissioners.
- (5) Case C is that—
 - (a) it was formed by the amalgamation of two or more friendly societies, and
 - (b) at the time of the amalgamation each of the societies being amalgamated was a qualifying society within the meaning of section 164 or this section.

Status: This is the original version (as it was originally enacted).

- (6) The exemption applies only if the society makes a claim.
- (7) The exemption does not apply to any profits arising or accruing to the society from, or by reason of its interest in, a body corporate—
 - (a) which is a subsidiary of the society (within the meaning of FSA 1992), or
 - (b) of which the society has joint control (within the meaning of FSA 1992).