



# Finance Act 2012

## 2012 CHAPTER 14

### PART 3

#### FRIENDLY SOCIETIES CARRYING ON LONG-TERM BUSINESS

##### *Exemption for other business*

#### **166 Transfers from friendly societies to insurance companies etc**

- (1) For the purposes of this Part “relevant other business” means any business other than—
  - (a) life assurance business, or
  - (b) PHI business comprised in BLAGAB or eligible PHI business.
- (2) If—
  - (a) at any time an insurance company acquires by way of transfer of engagements from a friendly society any relevant other business, and
  - (b) immediately before that time the society was exempt from corporation tax on profits arising from that business as a result of section 164 or 165,the insurance company is exempt from corporation tax on its profits arising from the relevant other business so far as relating to contracts made before that time.
- (3) If a friendly society—
  - (a) at any time ceases as a result of section 91 of FSA 1992 (conversion into company) to be registered under that Act, and
  - (b) immediately before that time the society was, as a result of section 164 or 165, exempt from corporation tax on profits arising from any relevant other business carried on by it,the company into which the society is converted is exempt from corporation tax on its profits arising from the relevant other business so far as relating to contracts made before that time.
- (4) If during an accounting period of a company there is an increase in the scale of benefits which it undertakes to provide in the course of carrying on relevant other business

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*Status: This is the original version (as it was originally enacted).*

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relating to contracts made before the time of transfer or conversion, the company is not exempt from corporation tax as a result of this section for that or any subsequent accounting period.

- (5) For the purposes of the Corporation Tax Acts any part of a company's business which is exempt from corporation tax as a result of this section is to be treated as a separate business from any other business carried on by the company.
- (6) The Treasury may by regulations provide that, where any part of the business of a company is exempt from corporation tax as a result of this section, the Corporation Tax Acts have effect subject to such exceptions or other modifications as they consider appropriate.
- (7) The regulations may make provision having retrospective effect.
- (8) The regulations may—
  - (a) make different provision for different cases or circumstances, and
  - (b) contain incidental, supplementary, consequential, transitional, transitory or saving provision.