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STATUTORY INSTRUMENTS

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**2001 No. 3629**

The Financial Services and Markets Act 2000  
(Consequential Amendments) (Taxes) Order 2001

PART 3

AMENDMENTS TO SECONDARY LEGISLATION

*The Friendly Societies (Modification of the  
Corporation Tax Acts) Regulations 1997 (S.I.1997/473)*

**Introduction**

**152.** Amend the Friendly Societies (Modification of the Corporation Tax Acts) Regulations 1997 in accordance with Articles 153 to 165.

**Interpretation**

**153.**—(1) Amend regulation 2 (interpretation) as follows.

(2) After the definition of “directive society” insert—

““general business” means business which consists of the effecting or carrying out of contracts that fall within Part I of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;”.

(3) In the definition of “linked business” for “within Class III of Head A of Schedule 2 to the Friendly Societies Act 1992” substitute “of effecting or carrying out contracts of insurance which fall within paragraph III of Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001”.

(4) In the definition of “section 37(3) society” for paragraph (b) substitute—

“(b) is subject to relevant section 43 requirements;”.

(5) After the definition of “section 37(3) society” insert—

““relevant section 43 requirements” means requirements imposed, or treated as imposed, under section 43 of the Financial Services and Markets Act 2000 which—

(a) are intended to secure that the society’s long-term business and general business are kept separate; and

(b) subject to any exceptions or other conditions, require that the assets representing the funds maintained in respect of the society’s long-term business or, as the case may be, its general business are to be generally applicable for the purposes of that business only;”.

**Modifications of section 12 of the Income and Corporation Taxes Act 1988**

**154.**—(1) In the heading to regulation 4 (modification of section 12(7A) of the Taxes Act)—

- (a) for “Modification” substitute “Modifications”;
- (b) omit “(7A)”.
- (2) Amend regulation 4 in accordance with paragraphs (3) and (4) below.
- (3) In paragraph (1) for “Paragraph (2) prescribes a modification of section 12(7A)” substitute “Paragraphs (2) and (3) prescribe modifications of section 12”.
- (4) For paragraph (2) substitute—
  - “(2) In subsection (7A) for the words from “an insurance business transfer scheme has effect to transfer from a company to another person” there shall be substituted the words “there is a transfer from a company to another person of”.
  - (3) In subsection (7B) the definition of “insurance business transfer scheme” shall be omitted.”.

### **Modification of section 76(7) of the Income and Corporation Taxes Act 1988**

**155.** Omit regulation 5(6) (modification of section 76(7) of the Income and Corporation Taxes Act 1988).

### **Modifications of section 431 of the Income and Corporation Taxes Act 1988**

- 156.**—(1) Amend regulation 6 (modifications of section 431 of the Taxes Act) as follows.
- (2) In paragraph (2) in the inserted definition of “valuation report”—
    - (a) in paragraph (a) for “section 46(3) of the Friendly Societies Act 1992” substitute “rule 5.1(2) of the Prudential Sourcebook (Friendly Societies)”;
    - (b) in paragraph (b) for “section 47(2) of the Friendly Societies Act 1992” substitute “rule 5.2(2) of the Prudential Sourcebook (Friendly Societies)”.
  - (3) In paragraph (2) after the inserted definition of “non-directive society” insert—

““the Prudential Sourcebook (Friendly Societies)” means the Interim Prudential Sourcebook for Friendly Societies made by the Financial Services Authority under the Financial Services and Markets Act 2000;”.
  - (4) In paragraph (3) in the substituted definition of “liabilities” in paragraph (b)(ii) for “section 47(2) of the Friendly Societies Act 1992” substitute “rule 5.2(2) of the Prudential Sourcebook (Friendly Societies)”.
  - (5) In paragraph (5) in the substituted definition of “periodical return”—
    - (a) in paragraph (a) for the words from “means” to the end substitute “means the FSC1 return within the meaning given in Chapter 5 of the Prudential Sourcebook (Friendly Societies); and”;
    - (b) in paragraph (b) for “its valuation report” substitute “the FSC2 return within the meaning given in that Chapter”.
  - (6) In paragraph (6) in the substituted definition of “value” in paragraph (b)(ii) for “section 47(2) of the Friendly Societies Act 1992” substitute “rule 5.2(2) of the Prudential Sourcebook (Friendly Societies)”.
  - (7) This Article has effect in relation to periods of account ending on or after 1st December 2001.

### **Modifications of section 432A of the Income and Corporation Taxes Act 1988**

**157.**—(1) Amend regulation 9 (modifications of section 432A of the Taxes Act) as follows.

(2) In paragraph (2) in the inserted subsection (1B) in paragraph (a) for “section 46(5) of the Friendly Societies Act 1992” substitute “rule 5.1(3) of the Prudential Sourcebook (Friendly Societies)”.

(3) In paragraph (3) in the inserted subsection (1E)—

(a) for the words from “Friendly Societies Commission” to “1992” substitute “Financial Services Authority, by giving a direction under section 148 of the Financial Services and Markets Act 2000”;

(b) for “subsection (2) of that section” substitute “rule 5.2 of the Prudential Sourcebook (Friendly Societies)”.

(4) This Article has effect in relation to periods of account ending on or after 1st December 2001.

#### **Modifications of section 440 of the Income and Corporation Taxes Act 1988**

**158.**—(1) In regulation 22(1)(b) (modifications of section 440 of the Taxes Act) for the words from “conditions” to “1992” substitute “relevant section 43 requirements”.

(2) In regulation 23 (modifications of section 440 of the Taxes Act) for paragraph (2) substitute—

“(2) For the words “an insurance business transfer scheme which has effect to transfer” there shall be substituted the words “a transfer of”.”.

#### **Modifications of section 444A of the Income and Corporation Taxes Act 1988**

**159.** In regulation 30 (modification of section 444A(1) of the Taxes Act) for paragraph (2) substitute—

“(2) For the words “where an insurance business transfer scheme has effect to transfer” there shall be substituted the words “where there is a transfer of”.”.

#### **Modifications of section 83 of the Finance Act 1989**

**160.**—(1) Amend regulation 35 (modifications of section 83 of the Finance Act 1989) as follows.

(2) In paragraph (1) for “Paragraph (2) prescribes a modification of section 83(6)” substitute “Paragraphs (2) and (3) prescribe modifications of section 83”.

(3) For paragraph (2) substitute—

“(2) In subsection (6)(a) the words “effected under an insurance business transfer scheme” shall be omitted.

(3) In subsection (6A) the definition of “insurance business transfer scheme” shall be omitted.”.

#### **Modifications of section 211 of the Taxation of Chargeable Gains Act 1992**

**161.**—(1) In the heading to regulation 44 (modification of section 211(1) of the 1992 Act)—

(a) for “Modification” substitute “Modifications”;

(b) omit “(1)”.

(2) Amend regulation 44 in accordance with paragraphs (3) and (4) below.

(3) In paragraph (1) for “Paragraph (2) prescribes a modification of section 211(1)” substitute “Paragraphs (2) and (3) prescribe modifications of section 211”.

(4) For paragraph (2) substitute—

“(2) In subsection (1) for the words “where an insurance business transfer scheme has effect to transfer” there shall be substituted the words “where there is a transfer of”.

- (3) In subsection (1A) omit the definition of “insurance business transfer scheme”.

### **Modifications of section 213 of the Taxation of Chargeable Gains Act 1992**

**162.** In regulation 47 (modifications of section 213 of the 1992 Act) for paragraph (2) substitute—

- “(2) For the words “an insurance business transfer scheme has effect to transfer” there shall be substituted the words “there is a transfer of”.

### **Modifications of paragraph 12 of Schedule 9 to the Finance Act 1996**

**163.**—(1) Amend regulation 52 (modifications of paragraph 12 of Schedule 9 to the Finance Act 1996) as follows.

- (2) In paragraph (1) for “Paragraphs (2) and (3)” substitute “Paragraphs (2) to (4)”.

- (3) For paragraph (2) substitute—

“(2) In sub-paragraph (1)(c) the words “which has effect under an insurance business transfer scheme” shall be omitted.”.

- (4) After paragraph (3) add—

“(4) In sub-paragraph (9) the definition of “insurance business transfer scheme” shall be omitted.”.

### **Modification of paragraph 18 of Schedule 12 to the Finance Act 1997**

**164.**—(1) In regulation 53A (modification of paragraph 18 of Schedule 12 to the Finance Act 1997)(1) for paragraph (2) substitute—

“(2) In sub-paragraph (1) for the words “Chapter 9 of the Prudential Sourcebook (Insurers)” there shall be substituted the words “Chapter 5 of the Prudential Sourcebook (Friendly Societies)”.

(3) In sub-paragraph (2) for the words ““the Prudential Sourcebook (Insurers)” means the Interim Prudential Sourcebook for Insurers” substitute the words ““Prudential Sourcebook (Friendly Societies)” means the Interim Prudential Sourcebook for Friendly Societies””.

- (2) This Article has effect in relation to periods of account ending on or after 1st December 2001.

### **Miscellaneous amendments**

**165.**—(1) In the following regulations for “long term business fund” substitute “long-term insurance fund”—

- (a) regulation 13(5) (in the added subsection (11));
  - (b) regulation 34(2) (in the inserted subsection (2A));
  - (c) regulation 45(3) (in the added subsection (9)).
- (2) In the following places for “long term” substitute “long-term”—
- (a) in the heading to regulation 3 and in paragraph (1) of that regulation;
  - (b) regulation 6(4) (twice);
  - (c) regulation 13(5) (in the added subsections (11)(a) and (b) and (12)(a)(twice) and (b));
  - (d) regulation 22(1)(b);
  - (e) regulation 36(2) (in the substituted subsection (2)(a) and (b)).

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(1) Regulation 53A was inserted by regulation 5 of S.I. [1997/2877](#).

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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