

## SCHEDULES

### SCHEDULE 12

#### FRIENDLY SOCIETIES: TRANSFERS TO INSURANCE COMPANIES ETC

##### *Other exempt business*

5 (1) Section 461B of ICTA (exemption of incorporated friendly societies from tax in respect of business which is not life or endowment business) is amended as follows.

(2) For subsection (6) substitute—

“(6) But if during an accounting period of the company there is an increase in the scale of benefits which it undertakes to provide in the course of carrying on any such part of its business, the company shall not be exempt from corporation tax by virtue of subsection (5) above for that or any subsequent accounting period.

(6A) Where—

- (a) at any time an insurance company acquires by way of transfer of engagements from a qualifying society any business other than life or endowment business, and
- (b) immediately before that time the society was exempt from corporation tax on profits arising from that business,

the insurance company shall be exempt from corporation tax on its profits arising from any part of that business which relates to contracts made before that time.

(6B) But if during an accounting period of the insurance company there is an increase in the scale of benefits which it undertakes to provide in the course of carrying on any such part of that business, the company shall not be exempt from corporation tax by virtue of subsection (6A) above for that or any subsequent accounting period.”

(3) In subsection (7), after “(5)” insert “or (6A)”.

(4) Insert at the end—

“(8) The Treasury may by regulations provide that, where any part of the business of a company is exempt from corporation tax by virtue of subsection (5) or (6A) above, the Corporation Tax Acts have effect subject to such modifications (or exceptions) as the Treasury consider appropriate.

(9) Regulations under subsection (8) above—

- (a) may make different provision for different cases,
- (b) may include any incidental, supplementary, consequential or transitional provisions which the Treasury consider appropriate, and
- (c) may include retrospective provision.”