



# Finance Act 2012

## 2012 CHAPTER 14

### PART 3

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

##### *Exempt BLAGAB or eligible PHI business*

#### **156 Societies with no provision for assuring gross sums exceeding £2,000 etc**

- (1) This section applies to a friendly society if its rules make no provision for it to carry on BLAGAB or eligible PHI business, or other long-term business, consisting of—
  - (a) the assurance of gross sums exceeding £2,000, or
  - (b) the granting of annuities of annual amounts exceeding £416.
- (2) The table in section 155 applies in relation to a friendly society to which this section applies as if, in the final row of that table—
  - (a) the reference to £500 were a reference to £2,000, and
  - (b) the reference to £104 were a reference to £416.
- (3) If at any time a friendly society to which this section applies amends its rules so as to cease to be such a friendly society, any part of its BLAGAB or eligible PHI business which—
  - (a) relates to contracts made before that time, and
  - (b) immediately before that time was exempt BLAGAB or eligible PHI business, continues to be exempt BLAGAB or eligible PHI business for the purposes of this Part.
- (4) If at any time a friendly society to which this section does not apply amends its rules so as to become a friendly society to which this section applies, any part of its BLAGAB or eligible PHI business which—
  - (a) relates to contracts made before that time, and
  - (b) immediately before that time was not exempt BLAGAB or eligible PHI business,

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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 2012, Section 156. (See end of Document for details)*

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continues not to be exempt BLAGAB or eligible PHI business for the purposes of this Part.

- (5) If at any time a friendly society to which this section does not apply acquires by way of transfer of engagements or amalgamation from another friendly society any BLAGAB or eligible PHI business which—
- (a) relates to contracts made before that time, and
  - (b) immediately before that time was exempt BLAGAB or eligible PHI business,
- that business continues to be exempt BLAGAB or eligible PHI business for the purposes of this Part.
- (6) If at any time a friendly society to which this section applies acquires by way of transfer of engagements or amalgamation from another friendly society any BLAGAB or eligible PHI business which—
- (a) relates to contracts made before that time, and
  - (b) immediately before that time was not exempt BLAGAB or eligible PHI business,
- that business continues not to be exempt BLAGAB or eligible PHI business for the purposes of this Part.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2012, Section 156.