



# Finance Act 2012

## 2012 CHAPTER 14

### PART 3

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

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

#### **159 Exception in case of breach of maximum benefits payable to members**

- (1) The exemption from corporation tax afforded by section 153, 156(3) or (5) or 158 does not apply in relation to so much of the profits arising to a friendly society or insurance company from any business as is attributable to a policy which—
  - (a) is not a qualifying policy as a result of sub-paragraph (2) of paragraph 6 of Schedule 15 to ICTA and is not an excluded policy, and
  - (b) would not be a qualifying policy as a result of that sub-paragraph if all excluded policies were ignored.
- (2) A policy is an excluded policy if—
  - (a) it is held otherwise than with the friendly society or insurance company, or
  - (b) the person who has the contract effecting the policy acquired the rights under it on an assignment otherwise than for money or money's worth.
- (3) This section does not withdraw the exemption from corporation tax afforded by section 153, 156(3) or (5) or 158 in relation to profits arising from any part of a business relating to contracts made on or before 3 May 1966.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2012, Section 159.