
STATUTORY INSTRUMENTS

1997 No. 473

The Friendly Societies (Modification of the Corporation Tax Acts) Regulations 1997

Modifications of section 432A of the Taxes Act

13.—(1) Paragraphs (2) to (5) prescribe modifications of section 432A of the Taxes Act so far as it applies to the life or endowment business carried on by—

- (a) directive societies which are incorporated societies but which are neither friendly societies to which section 37(2) of the Friendly Societies Act 1992 applies nor section 37(3) societies, or
- (b) non-directive societies other than section 37(3) societies.

(2) For subsection (6) there shall be substituted—

“(6) For the purposes of subsection (5) above “the relevant fraction”, in relation to a category of business, is the fraction of which—

- (a) the numerator is the mean of the opening and closing liabilities of the category, reduced by the mean of the opening and closing values of any assets directly referable to the category; and
- (b) the denominator is the mean of the opening and closing liabilities of the long term business, reduced by the mean of the opening and closing value of any assets directly referable to any category of business.”

(3) Subsection (8) shall be omitted.

(4) Paragraph (b) of subsection (9) shall be omitted.

(5) After subsection (10) there shall be added—

“(11) In subsection (1) above “assets of the company’s long term business fund” means—

- (a) assets held primarily for the purposes of long term business carried on by the society; and
- (b) the relevant fraction of each asset held neither primarily for the purposes of long term business nor primarily for the purposes of some other specific business carried on by the society.

(12) For the purposes of subsection (11) above “the relevant fraction”, subject to subsection (13) below, is the fraction of which—

- (a) the numerator is the mean of the total balances brought forward and carried forward in the fund accounts for those funds within which the society conducts its long term business, less the mean of the assets already recognised at the beginning and end of the period of account as held for the purposes of long term business carried on by the society; and
- (b) the denominator is the mean of the total balances brought forward and carried forward on all of the society’s fund accounts, less the mean of the opening and closing values of assets already recognised at the beginning and end of the period

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

of account as held for the purposes of long term business or for the purposes of other specific business carried on by the society.

(13) A balance on a general management fund or a general reserve fund shall be excluded from both the numerator and the denominator in the calculation of the relevant fraction for the purposes of subsection (11) above.

(14) For the purposes of subsection (12) above references to balances brought forward and carried forward are references to balances brought forward and carried forward as shown in the society's periodical return."