
EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 463 of the Income and Corporation Taxes Act 1988 (“ICTA 1988”) as amended by paragraph 4 of Schedule 18 to the Finance Act 2008 (“FA 2008”) provides that enactments relating to corporation tax apply to the long-term business carried on by friendly societies in the same way as they apply to long-term business of insurance companies, subject to such modifications and exceptions as may be prescribed by the Treasury.

These Regulations amend the regulations making such modifications, the Friendly Societies (Modification of the Corporation Tax Acts) Regulations 2005 (S.I. 2005/2014: “the principal Regulations”). The Regulations take into account a number of changes made to the life assurance tax provisions, in particular by the Finance Act 2008.

Regulation 1 provides for the citation, commencement and effect. The power to make retrospective provision is conferred by section 463(4) of ICTA 1988.

Regulation 2 introduces the amendments. The remaining regulations amend the principal Regulations so as to make technical modifications to the enactments relating to corporation tax in consequence of FA 2008, with the exceptions of regulations 4(3) and 4(4) which make amendments in consequence of the Finance Act 2007.

Regulations 3 to 10 amend or omit regulations of the principal regulations which modify provisions of ICTA 1988.

Regulation 11 amends regulation 32 of the principal Regulations which modifies section 88 of the Finance Act 1989.

Regulation 12 amends regulation 40 of the principal Regulations which modifies Schedule 11 to the Finance Act 1996.

Regulation 13 amends regulation 43A of the principal Regulations which modifies section 255 of the Capital Allowances Act 2001.

A full and final Impact Assessment has not been produced for this instrument as a negligible impact on the private or voluntary sectors is foreseen.