

Friendly societies. ITA67 s335 and s339(2) and (4); FA67 s7; F(MP)A68 s3(4) and Sch PtIII; FA73 s44; CTA76 s140(1) and Sch2 Ptl par14 211.—(1) An unregistered friendly society whose income does not exceed £160 shall be entitled to exemption from income tax, and a registered friendly society which is precluded by statute or by its rules from assuring to any person a sum exceeding £1,000 by means of gross sum, or £52 a year by means of annuity, shall be entitled to exemption from income tax under Schedules C, D and F.

(2) A registered friendly society shall not be entitled to exemption from tax under this section in relation to any year of assessment if the Revenue Commissioners determine, for the purposes of entitlement to exemption for that year, that the society does not satisfy the following conditions—

(a) that it was established solely for any or all of the purposes set out in section 8 (1) of the Friendly Societies Act, 1896 , and not for the purpose of securing a tax advantage, and

(b) that since its establishment it has engaged solely in activities directed to achieving the purposes for which it was so established and has not engaged in trading activities, other than by means of insurance in respect of members, with a view to the realisation of profits.

(3) In making a determination under this section in relation to a registered friendly society, the Revenue Commissioners shall consider any evidence in relation to the matter submitted to them by the society.

(4) In any case where a friendly society is aggrieved by a determination of the Revenue Commissioners under this section in relation to the society, the society shall be entitled to appeal to the Appeal Commissioners against the determination of the Revenue Commissioners and the Appeal Commissioners shall hear and determine the appeal as if it were an appeal against an assessment to income tax, and the provisions of the Income Tax Acts relating to the rehearing of an appeal and to the statement of a case for the opinion of the High Court on a point of law shall apply accordingly with any necessary modifications.

(5) Every claim under this section shall be verified by affidavit, and proof of the claim may be given by the treasurer, trustee or any duly authorised agent.

(6) A person who makes a false or fraudulent claim for exemption under this section in respect of any interest, annuities, dividends or shares of annuities charged or chargeable under Schedule C shall forfeit the sum of £100.