

## STATUTORY INSTRUMENTS

# 2006 No. 964

## The Authorised Investment Funds (Tax) Regulations 2006

### [<sup>F1</sup>PART 4A

### PROPERTY AIFS

### [<sup>F1</sup>CHAPTER 4

### DISTRIBUTIONS MADE BY PROPERTY AIFS

#### Textual Amendments

- F1** Pt. 4A inserted (6.4.2008) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2008 \(S.I. 2008/705\)](#), regs. 1, 5

#### [<sup>F2</sup>Allocation of income]

**69Z14.** [<sup>F3</sup>The total amount available for income allocation in an open-ended investment company to which this Part applies shall be attributed]—

- (a) first, to property income distributions up to the amount of the net income of F (tax-exempt) (determined in accordance with regulation 69Z1),
- (b) secondly, to PAIF distributions (interest) up to the pre-distribution amount (determined in accordance with regulation 69Z3), and
- (c) finally, to PAIF distributions (dividends).

#### Textual Amendments

- F2** [Reg. 69Z14](#) heading substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2010 \(S.I. 2010/294\)](#), regs. 1(1), **16(2)** (with [reg. 24](#))
- F3** Words in [reg. 69Z14](#) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2010 \(S.I. 2010/294\)](#), regs. 1(1), **16(3)** (with [reg. 24](#))

#### Property income distributions

**69Z15.**—(1) This regulation applies if—

- (a) an open-ended investment company to which this Part applies makes a distribution, and
- (b) the amount distributed includes sums attributed to property income distributions.

(2) The Tax Acts shall have effect as if the sums were payments made on the distribution date by the company to the participants in proportion to their rights.

(3) Regulation 69Z18 (property income distributions: liability to tax of participants) explains how a property income distribution received by a participant is treated.

(4) In these Regulations a “property income distribution” means a sum attributed to property income distributions which is distributed (including a payment made to a participant who is not chargeable to income tax or corporation tax).

### **PAIF distributions (interest)**

**69Z16.**—(1) This regulation applies if—

- (a) an open-ended investment company to which this Part applies makes a distribution, and
- (b) the amount distributed includes sums attributed to PAIF distributions (interest).

(2) The Tax Acts shall have effect as if the sums were payments of yearly interest made on the distribution date by the company to the participants in proportion to their rights.

[  
<sup>F4</sup>(2A) For the purposes of Part 10 (Corporate Interest Restriction) of TIOPA 2010, a PAIF distribution (interest) is treated as not being a tax-interest expense amount of the company.]

(3) In this Part a “PAIF distribution (interest)” means a sum attributed to PAIF distributions (interest) which is distributed (including a payment made to a participant who is not chargeable to income tax).

#### **Textual Amendments**

- F4** [Reg. 69Z16\(2A\)](#) inserted (29.12.2017) by [The Corporate Interest Restriction \(Consequential Amendments\) Regulations 2017 \(S.I. 2017/1227\)](#), regs. 1, **2(3)**

### **PAIF distributions (dividends)**

**69Z17.**—(1) This regulation applies if—

- (a) an open-ended investment company to which this Part applies makes a distribution, and
- (b) the amount distributed includes sums attributed to PAIF distributions (dividends).

(2) The Tax Acts shall have effect as if the sums were dividends on shares paid on the distribution date by the company to the participants in proportion to their rights.

(3) In this Part a “PAIF distribution (dividends)” means a sum attributed to PAIF distributions (dividends) which is distributed (including a dividend treated as paid to a participant who is not chargeable to corporation tax).]

**Changes to legislation:**

There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, CHAPTER4.