



Finance Act 1990

1990 CHAPTER 29

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Unit and investment trusts etc.

F1 51

Textual Amendments

F1 S. 51 repealed (29.4.1996 with effect for the year 1996-1997 and subsequent years of assessment) by 1996 c. 8, ss. 73, 205, Sch. 6, **Sch. 41 Pt. V(1)** Note 1

52 Unit trusts: repeals.

- (1) The Taxes Act 1988 shall have effect subject to the following provisions of this section.
- (2) In section 468 (authorised unit trusts) subsection (5) shall not apply as regards a distribution period beginning after 31st December 1990.
- (3) Where a particular distribution period is by virtue of subsection (2) above the last distribution period as regards which section 468(5) applies in the case of a trust, the trustees' liability to income tax in respect of any source of income chargeable under Case III of Schedule D shall be assessed as if they had ceased to possess the source of income on the last day of that distribution period.

Status: Point in time view as at 29/04/1996.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1990, Cross Heading: Unit and investment trusts etc.. (See end of Document for details)

- (4) But where section 67 of the Taxes Act 1988 applies by virtue of subsection (3) above, it shall apply with the omission from subsection (1)(b) of the words from “and shall” to “this provision”.
- (5) Section 468B (certified unit trusts: corporation tax) shall not apply as regards an accounting period ending after 31st December 1990.
- (6) Section 468C (certified unit trusts: distributions) shall not apply as regards a distribution period ending after 31st December 1990.
- (7) Section 468D (funds of funds: distributions) shall not apply as regards a distribution period ending after 31st December 1990.
- (8) In this section “distribution period” has the same meaning as in section 468 of the Taxes Act 1988.

53 Unit trust managers: exemption from bond-washing provisions.

- (1) Section 732 of the Taxes Act 1988 (application of bond-washing provisions to dealers in securities) shall have effect, and be deemed always to have had effect, with the insertion of the following subsection after subsection (5)—
 - “(5A) Subsection (1) above shall not apply if the securities are rights in a unit trust scheme and the subsequent sale is carried out by the first buyer in the ordinary course of his business as manager of the scheme.”
- (2) Section 472 of the Taxes Act 1970 (corresponding provision of the old law) shall be deemed always to have had effect with the insertion after subsection (5) of the subsection set out in subsection (1) above.

F254

Textual Amendments

F2 S. 54 repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch. 12](#) (with ss. 60, 101(1), 201(3), [Sch. 11 paras. 22, 26\(2\), 27](#)).

55 Investment trusts.

- (1) In section 842 of the Taxes Act 1988 (investment trusts) the following subsections shall be inserted after subsection (2)—
 - “(2A) Subsection (1)(e) above shall not apply as regards an accounting period if—
 - (a) the company is required to retain income in respect of the period by virtue of a restriction imposed by law, and
 - (b) the amount of income the company is so required to retain in respect of the period exceeds an amount equal to 15 per cent. of the income the company derives from shares and securities.
 - (2B) Subsection (2A) above shall not apply where—

Status: Point in time view as at 29/04/1996.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1990, Cross Heading: Unit and investment trusts etc.. (See end of Document for details)

- (a) the amount of income the company retains in respect of the accounting period exceeds the amount of income it is required by virtue of a restriction imposed by law to retain in respect of the period, and
 - (b) the amount of the excess or, where the company distributes income in respect of the period, that amount together with the amount of income which the company so distributes is at least £10,000 or, where the period is less than 12 months, a proportionately reduced amount.
- (2C) Paragraph (e) of subsection (1) above shall not apply as regards an accounting period if the amount which the company would be required to distribute in order to fall within that paragraph is less than £10,000 or, where the period is less than 12 months, a proportionately reduced amount.”
- (2) This section applies in relation to accounting periods ending on or after the day on which this Act is passed.

Status:

Point in time view as at 29/04/1996.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1990, Cross Heading: Unit and investment trusts etc..