

Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: Qualifying conditions and information provided to HMRC is up to date with all changes known to be in force on or before 13 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

[^{F1}SCHEDULE 5AAA

UK PROPERTY RICH COLLECTIVE INVESTMENT VEHICLES ETC

Textual Amendments

- F1** Sch. 5AAA inserted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by Finance Act 2019 (c. 1), **Sch. 1 para. 21**

PART 4

EXEMPTION

Qualifying conditions and information provided to HMRC

- 13 (1) For the purposes of paragraph 12(2), a collective investment vehicle meets the qualifying conditions in this paragraph at any time if, at that time—
- (a) it is a collective investment scheme and it meets the genuine diversity of ownership condition,
 - [it is a collective investment scheme, it meets the UK tax condition and it is
 - ^{F2}(ab) wholly (or almost wholly) owned by one or more other collective investment schemes each of which meets the genuine diversity of ownership condition,]
 - (b) it is a company (otherwise than as a result of paragraph 4) and it meets the recognised stock exchange condition and the non-close condition, or
 - (c) it is a collective investment vehicle (of any kind) and it meets the UK tax condition and the non-close condition.
- (2) For the purposes of paragraph 12(3), a company which is not a collective investment vehicle meets the qualifying conditions in this paragraph at any time if, at that time, either—
- (a) the company meets the UK tax condition and the non-close condition, or
 - [^{F3}(b) the collective investment scheme directly owning the company—
 - (i) meets the genuine diversity of ownership condition, or
 - (ii) is wholly (or almost wholly) and directly owned by one or more qualifying partnerships each of which meets the genuine diversity of ownership condition,]
- [In sub-paragraph (2)(b)—
- ^{F4}(2A) (a) references to direct ownership are to ownership otherwise than through—
- (i) a company, or
 - (ii) a partnership, trust or other entity or arrangements, and

Changes to legislation: *Taxation of Chargeable Gains Act 1992, Cross Heading: Qualifying conditions and information provided to HMRC is up to date with all changes known to be in force on or before 13 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (b) “qualifying partnership” means a collective investment scheme which is constituted by two or more persons carrying on a trade or business in partnership.]
- (3) For the purposes of this paragraph a collective investment scheme meets the genuine diversity of ownership condition at any time if, at that time—
- (a) [^{F5}the scheme meets or, if the scheme is part of multi-vehicle arrangements, the arrangements meet][^{F6}the conditions in regulation 75(2), (3), and (4)(a)] of the Offshore Funds (Tax) Regulations 2009, or
- (b) [^{F7}the scheme meets, or those multi-vehicle arrangements meet,] the condition in regulation 75(5) of those Regulations [^{F8}(assuming for this purpose that regulation 75(4)(b) is omitted)],
- ^{F9} ...
- [For the purposes of sub-paragraph (3), those Regulations have effect as if references ^{F10}(3A) to a fund included—
- (a) multi-vehicle arrangements, and
- (b) a collective investment scheme which is not an offshore fund.]
- (4) For the purposes of this paragraph a company meets the recognised stock exchange condition at any time if, at that time—
- (a) it has ordinary share capital, and
- (b) the shares forming part of its ordinary share capital are regularly traded on a recognised stock exchange.
- (5) For the purposes of this paragraph a company meets the non-close condition at any time if, at that time, it—
- (a) is not a close company, or
- (b) is a close company but only because it has a qualifying investor as a direct or indirect participator.
- (6) Paragraph 46 (meaning of “close company”, “qualifying investor” and “direct or indirect participator”) applies for the purposes of sub-paragraph (5).
- (7) For the purposes of this paragraph a company meets the UK tax condition at any time if, on the assumption that all of the shares in it were disposed of for their market value at that time, the person making the election reasonably considers at that time that, as a result solely of double taxation arrangements, no more than 25% of the total proceeds would fall to be left out of account for the purposes of this Act.
- [If any of the proceeds arise to a company which is wholly (or almost wholly) owned ^{F11}(8) by one or more investors to which paragraph 33 applies, the company is to be treated for the purposes of sub-paragraph (7) as if it were exempt from corporation tax in respect of chargeable gains accruing to it otherwise than as a result of double taxation arrangements.]

Textual Amendments

- F2** Sch. 5AAA para. 13(1)(ab) inserted (with effect in accordance with reg. 1(3) of the amending S.I.) by [The UK Property Rich Collective Investment Vehicles \(Amendment of the Taxation of Chargeable Gains Act 1992\) Regulations 2020 \(S.I. 2020/315\)](#), regs. 1(1), **10(a)**

Changes to legislation: Taxation of Chargeable Gains Act 1992, Cross Heading: Qualifying conditions and information provided to HMRC is up to date with all changes known to be in force on or before 13 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- F3** Sch. 5AAA para. 13(2)(b) substituted (with effect in accordance with reg. 1(3) of the amending S.I.) by The UK Property Rich Collective Investment Vehicles (Amendment of the Taxation of Chargeable Gains Act 1992) Regulations 2020 (S.I. 2020/315), regs. 1(1), **10(b)**
- F4** Sch. 5AAA para. 13(2A) inserted (with effect in accordance with reg. 1(3) of the amending S.I.) by The UK Property Rich Collective Investment Vehicles (Amendment of the Taxation of Chargeable Gains Act 1992) Regulations 2020 (S.I. 2020/315), regs. 1(1), **10(c)**
- F5** Words in Sch. 5AAA para. 13(3)(a) substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), **Sch. 4 para. 1(3)(a)(i)**
- F6** Words in Sch. 5AAA para. 13(3)(a) substituted (with effect in accordance with reg. 1(3) of the amending S.I.) by The UK Property Rich Collective Investment Vehicles (Amendment of the Taxation of Chargeable Gains Act 1992) Regulations 2020 (S.I. 2020/315), regs. 1(1), **10(d)(i)**
- F7** Words in Sch. 5AAA para. 13(3)(b) substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), **Sch. 4 para. 1(3)(a)(ii)**
- F8** Words in Sch. 5AAA para. 13(3)(b) inserted (with effect in accordance with reg. 1(3) of the amending S.I.) by The UK Property Rich Collective Investment Vehicles (Amendment of the Taxation of Chargeable Gains Act 1992) Regulations 2020 (S.I. 2020/315), regs. 1(1), **10(d)(ii)**
- F9** Words in Sch. 5AAA para. 13(3) omitted (11.7.2023) by virtue of Finance (No. 2) Act 2023 (c. 30), **Sch. 4 para. 1(3)(a)(iii)**
- F10** Sch. 5AAA para. 13(3A) inserted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), **Sch. 4 para. 1(3)(b)**
- F11** Sch. 5AAA para. 13(8) inserted (with effect in accordance with reg. 1(3) of the amending S.I.) by The UK Property Rich Collective Investment Vehicles (Amendment of the Taxation of Chargeable Gains Act 1992) Regulations 2020 (S.I. 2020/315), regs. 1(1), **10(e)**
- 14 (1) An election under paragraph 12 has effect only if it is accompanied by information of such description as may be specified by an officer of Revenue and Customs about disposals made by participants in the relevant fund at any time in—
- (a) the period of two years ending with the day before the day on which the election is made, or
 - (b) if shorter, the period beginning with the constitution of the relevant fund and ending with the day before the day on which the election is made.
- (2) Information is not required by sub-paragraph (1) to accompany the election so far as—
- (a) it has already been provided to an officer of Revenue and Customs in a form and manner, and at times, specified by an officer of Revenue and Customs, and
 - (b) the election sets out those occasions on which the information has been so provided.
- 15 (1) An election under paragraph 12 has effect subject to such conditions as to the provision of information or documents to an officer of Revenue and Customs as may be specified by an officer of Revenue and Customs.
- (2) The information or documents must be provided to an officer of Revenue and Customs in respect of every period of account of the relevant fund which ends at a time when the election has effect.
- (3) The information or documents must be provided to an officer of Revenue and Customs within the period of 12 months from the end of the period of account.
- (4) The conditions as to the provision of information or documents may include—
- (a) conditions relating to the participants in the relevant fund, and

Changes to legislation: *Taxation of Chargeable Gains Act 1992, Cross Heading: Qualifying conditions and information provided to HMRC is up to date with all changes known to be in force on or before 13 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (b) conditions requiring information or documents in respect of the operation of any provision of this Schedule (or any provision of this Act relevant to this Schedule).
- (5) In the case of an election under paragraph 12—
 - (a) a designated HMRC officer may revoke the election if, in the officer's opinion, there has been, without reasonable excuse, a breach of any provision made by or under this paragraph, but
 - (b) an officer of Revenue and Customs (whether or not designated) may waive a breach of any provision made by or under this paragraph if, in the officer's opinion, there is no reasonable excuse for the breach but, having regard to all the circumstances, the breach is nonetheless insignificant.
- (6) The circumstances to which the officer may have regard in determining whether a breach is insignificant include the number and seriousness of previous breaches.
- (7) In this paragraph “period of account”, in relation to the relevant fund, means any period for which accounts of the relevant fund are drawn up.
- (8) If the period of account would otherwise be longer than 12 months, the period of account is to be treated for the purposes of this paragraph as split into more than one period of account, and—
 - (a) the first deemed period of account is to be 12 months long, and
 - (b) any subsequent deemed period of account is to start when the previous deemed period of account ends and is to end 12 months later or, if earlier, when the actual period of account ends.]

Changes to legislation:

Taxation of Chargeable Gains Act 1992, Cross Heading: Qualifying conditions and information provided to HMRC is up to date with all changes known to be in force on or before 13 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied by [1997 c. 16 Sch. 12 para. 12\(7\)](#)[1314](#)
- Act applied by [2002 c. 23 Sch. 16 para. 48\(1\)\(2\)](#)
- Act construed as one with reg. 37 by [S.I. 2006/575 reg. 37\(2\)](#)
- Act construed as one with reg. 38 by [S.I. 2006/575 reg. 38\(3\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 4(10)(11) inserted by [2016 c. 11 s. 15\(4\)](#)
- s. 4(10) words inserted by [2016 c. 24 s. 83\(11\)](#)
- s. 35(3)(d)(xviii) added by [2008 c. 17 Sch. 7 para. 9](#)
- s. 35(3)(d)(xviii) inserted by [2008 c. 18 Sch. 13 para. 46](#)
- s. 35(3)(d)(xviii) repealed by [S.I. 2008/3002 Sch. 1 para. 42](#)[Sch. 3](#) (This amendment comes into force on the day 2008 c. 4, s. 5 comes into force, see art. 1(2). That provision was brought into force on 1.12.2008 by [S.I. 2008/3068](#), art. 2(1)(b))
- s. 104(4)(b)(i) words substituted by [S.I. 1989/469](#), reg. 27(2) (as amended) by [S.I. 1997/1716 reg. 13\(1\)\(b\)](#)
- s. 107(11) words substituted by [S.I. 1989/469](#), reg. 27(2A) (as amended) by [S.I. 1997/1716 reg. 13\(2\)\(b\)](#)
- s. 169S(4A) inserted by [2015 c. 11 s. 43\(2\)](#)
- s. 587B inserted by [2000 c. 17 s. 43\(1\)](#)
- Sch. 5C para. 3(1) modified by [S.I. 2004/2199 reg. 7\(1\)](#)
- Sch. 5C para. 3(6) modified by [S.I. 2004/2199 reg. 7\(2\)](#)
- Sch. 5C para. 5(1) modified by [S.I. 2004/2199 reg. 7\(3\)](#)
- Sch. 5C para. 3 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 5 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 6 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 3(1)(f) words substituted by [2007 c. 3 Sch. 1 para. 347](#)