



Finance Act 1994

1994 CHAPTER 9

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Authorised unit trusts

113 Umbrella schemes.

(1) In section 468 of the Taxes Act 1988 (authorised unit trusts), in subsection (6) (definitions) at the beginning there shall be inserted “ Subject to subsections (7) to (9) below ”.

(2) After that subsection there shall be added—

“(7) Each of the parts of an umbrella scheme shall be regarded for the purposes of this Chapter as an authorised unit trust and the scheme as a whole shall not be so regarded.

(8) In this section, “umbrella scheme” means a unit trust scheme—

- (a) which provides arrangements for separate pooling of the contributions of the participants and the profits or income out of which payments are to be made to them;
- (b) under which the participants are entitled to exchange rights in one pool for rights in another; and
- (c) in the case of which an order under section 78 of the Financial Services Act 1986 is in force;

and any reference to a part of an umbrella scheme is a reference to such of the arrangements as relate to a separate pool.

Status: Point in time view as at 03/02/2009. This version of this provision has been superseded.

Changes to legislation: Finance Act 1994, Section 113 is up to date with all changes known to be in force on or before 14 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)

- (9) In relation to a part of an umbrella scheme, any reference—
- (a) to investments subject to the trusts of an authorised unit trust, shall have effect as a reference to such of the investments as under the arrangements form part of the separate pool to which the part of the umbrella scheme relates; and
 - (b) to a unit holder, shall have effect as a reference to a person for the time being having rights in that separate pool.”

^{F1}(3)

- (4) Subject to what follows, the amendments made by subsections (1) to (3) above shall have effect on and after 1st April 1994 in relation to unit trust schemes and their participants.
- (5) Nothing in those amendments shall have effect before the relevant date in relation to a unit trust scheme which immediately before 1st April 1994 falls within the definition of an umbrella scheme contained in those amendments.
- (6) In this section “the relevant date”, means, in relation to a unit trust scheme, the day after the end of the last distribution period of the scheme which commences before 1st April 1994.
- (7) On and after the relevant date, the amendments made by subsections (1) to (3) above shall have effect in relation to a scheme—
 - (a) to which subsection (5) above applies, and
 - (b) which immediately before the relevant date falls within the definition of an umbrella scheme contained in those amendments,
 subject to subsections (8) to (10) below.
- (8) The amendments made by subsections (1) to (3) above shall not prevent the trustees of the scheme on and after the relevant date—
 - (a) making a claim under section 239(3) of the Taxes Act 1988 (carry back of surplus advance corporation tax) in respect of accounting periods of the scheme ending before the relevant date; or
 - (b) continuing anything which immediately before that date was in the process of being done for the purposes of tax in relation to such accounting periods.
- (9) Where immediately before the relevant date the trustees of the scheme are entitled to carry forward an excess under—
 - (a) section 75(3) of the Taxes Act 1988 (carry forward of management expenses and sums treated as management expenses), or
 - (b) section 241 of that Act (carry forward of franked investment income),
 then, on the relevant date, that right shall be translated into a right in each successor company to carry forward a proportionate part of that excess.
- (10) Where immediately before the relevant date the trustees of the scheme have an amount of surplus advance corporation tax which—
 - (a) has not been dealt with under subsection (3) of section 239 of the Taxes Act 1988, and
 - (b) is due to be treated under subsection (4) of that section as if it were advance corporation tax paid by them in their next accounting period,

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then, on and after the relevant date, a proportionate part of that amount shall be treated as paid under subsection (4) of that section by each successor company in its first accounting period.

(11) In subsections (9) and (10) above “successor company” means, in relation to a scheme, each part of the scheme which on the relevant date becomes an authorised unit trust.

Textual Amendments

F1 [S. 113\(3\)](#) omitted (3.2.2009) (with effect in accordance with art. 1(2) of the amending S.I.) by virtue of [The Income Tax Act 2007 \(Amendment\) Order 2009 \(S.I. 2009/23\)](#), arts. 1(1), [4](#)

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