

*Status: Point in time view as at 12/08/2005.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996,  
Cross Heading: Authorised unit trusts: capital profits, gains or losses. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 10

#### LOAN RELATIONSHIPS: COLLECTIVE INVESTMENT SCHEMES

##### Modifications etc. (not altering text)

C1 Sch. 10 modified (28.4.1997) by S.I. 1997/1154, reg.19(1)-(10)

*[<sup>F1</sup> Authorised unit trusts][<sup>F2</sup>: capital profits, gains or losses]*

##### Textual Amendments

- F1 Sch. 10 paras. 2A, 2B and cross-headings substituted (with effect in relation to accounting periods beginning on or after 1.10.2002) for Sch. 10 para. 2 and heading by Finance Act 2002 (c. 23), s. 82, Sch. 25 Pt. 1 para. 38
- F2 Words in Sch. 10 para. 2A heading added (with effect in accordance with s. 52(3) of the amending Act) by Finance Act 2004 (c. 12), Sch. 10 para. 39(2)

<sup>F12</sup> .....

[<sup>F3</sup>2A (1) Where any profits, gains or losses arising to an authorised unit trust from a creditor relationship in an accounting period are capital profits, gains or losses, those profits, gains or losses must not be brought into account as credits or debits for the purposes of this Chapter<sup>F4</sup> ....

[ For the purposes of this paragraph “capital profits, gains or losses”—

- <sup>F5</sup>(1A) (a) in the case of an authorised unit trust that prepares accounts in accordance with UK generally accepted accounting practice, has the meaning given by sub-paragraphs (2) to (4), and
- (b) in the case of an authorised unit trust that prepares accounts in accordance with international accounting standards, has the meaning given by order made by the Treasury.]

- (2) [<sup>F6</sup>In the cases mentioned in sub-paragraph (1A)(a)], capital profits, gains or losses arising from a creditor relationship in an accounting period are such profits, gains or losses arising from a creditor relationship as fall to be dealt with under—
- (a) the heading “net gains/losses on investments during the period”, or
- (b) the heading “other gains/losses”,
- in the statement of total return for the accounting period.

- (3) For the purposes of sub-paragraph (2) above, the statement of total return for an accounting period is the statement of total return which, in accordance with the Statement of Recommended Practice used for the accounting period, must be

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included in the accounts contained in the annual report of the authorised unit trust which deals with the accounting period.

- (4) For the purposes of sub-paragraph (3) above, “Statement of Recommended Practice” means—
- (a) in relation to any accounting period for which it is required or permitted to be used, the Statement of Recommended Practice relating to Authorised Unit Trust Schemes issued by the Investment Management Regulatory Organisation Limited in January 1997, as from time to time modified, amended or revised; or
  - (b) in relation to any accounting period for which it is required or permitted to be used, any subsequent Statement of Recommended Practice relating to authorised unit trust schemes, as from time to time modified, amended or revised.
- (5) The Treasury may by order amend this paragraph so as to alter the definition of capital profits, gains or losses [<sup>F7</sup>in sub-paragraphs (2) to (4)] in consequence of the modification, amendment, revision or replacement of a Statement of Recommended Practice.
- (6) The power to make an order under this paragraph includes power—
- (a) to make different provision for different cases; and
  - (b) to make such consequential, supplementary, incidental or transitional provision, or savings, as appear to the Treasury to be necessary or expedient (including provision amending any enactment or any instrument made under any enactment).]

#### Textual Amendments

- F3** Sch. 10 paras. 2A, 2B and cross-headings substituted (with effect in relation to accounting periods beginning on or after 1.10.2002) for Sch. 10 para. 2 and heading by [Finance Act 2002 \(c. 23\), s. 82, Sch. 25 Pt. 1 para. 38](#)
- F4** Words in Sch. 10 para. 2A(1) repealed (with effect in accordance with s. 52(3) of the amending Act) by [Finance Act 2004 \(c. 12\), Sch. 10 para. 39\(3\), Sch. 42 Pt. 2\(6\)](#)
- F5** Sch. 10 para. 2A(1A) inserted (with effect in accordance with s. 52(3) of the amending Act) by [Finance Act 2004 \(c. 12\), Sch. 10 para. 39\(4\)](#)
- F6** Words in Sch. 10 para. 2A(2) substituted (with effect in accordance with s. 52(3) of the amending Act) by [Finance Act 2004 \(c. 12\), Sch. 10 para. 39\(5\)](#)
- F7** Words in Sch. 10 para. 2A(5) inserted (with effect in accordance with s. 52(3) of the amending Act) by [Finance Act 2004 \(c. 12\), Sch. 10 para. 39\(6\)](#)

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