



Finance Act 2004

2004 CHAPTER 12

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 8

CHARGEABLE GAINS

118 Authorised unit trusts: treatment of umbrella schemes

- (1) The Taxation of Chargeable Gains Act 1992 is amended as follows.
- (2) In section 99(2) (application of Act to unit trust schemes: definitions)—
 - (a) in the opening words, after “Subject to subsection (3)” insert “and section 99A”; and
 - (b) for paragraph (b) substitute—
 - “(aa) “unit holder” means a person entitled to a share of the investments subject to the trusts of a unit trust scheme;
 - (b) “authorised unit trust” means, as respects an accounting period, a unit trust scheme in the case of which an order under section 243 of the Financial Services and Markets Act 2000 is in force during the whole or part of that period.”
- (3) After that section insert—

“99A Authorised unit trusts: treatment of umbrella schemes

- (1) In this section an “umbrella scheme” means an authorised unit trust—
 - (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, and

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 2004, Section 118. (See end of Document for details)

- (b) under which the participants are entitled to exchange rights in one pool for rights in another,
and any reference to a part of an umbrella scheme is a reference to such of the arrangements as relate to a separate pool.
- (2) For the purposes of this Act (except subsection (1))—
- (a) each of the parts of an umbrella scheme shall be regarded as an authorised unit trust, and
- (b) the scheme as a whole shall not be regarded as an authorised unit trust or as any other form of collective investment scheme.
- (3) In this Act, in relation to a part of an umbrella scheme, any reference to a unit holder is to a person for the time being having rights in the separate pool to which the part of the umbrella scheme relates.
- (4) Nothing in subsections (2) or (3) shall prevent—
- (a) gains accruing to an umbrella scheme being regarded as gains accruing to an authorised unit trust for the purposes of section 100(1) (exemption for authorised unit trusts etc);
- (b) a transfer of business to an umbrella scheme being regarded as a transfer to an authorised unit trust for the purposes of section 139(4) (exclusion of transfers to authorised unit trusts etc);
- (c) a disposal by a unit holder of units in an umbrella scheme being regarded as a disposal by him of units in an authorised unit trust for the purposes of section 271(1)(j) (exemption for disposal of units in an authorised unit trust which is also an approved personal pension scheme etc).”.
- (4) In section 288 (interpretation)—
- (a) in subsection (1), in the definition of “collective investment scheme”, at the end insert “ (subject to section 99A) ”;
- (b) in the table in subsection (8) (index of general definitions)—
- (i) in the first column after “Unit trust scheme” insert “ and “unit holder” ”;
- (ii) in the second column for “s 99” substitute “ ss 99 and 99A ”.
- (5) The amendments made by this section have effect in relation to years of assessment and accounting periods beginning on or after 1st April 2004.

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