These notes refer to the Finance Act 2013 (c.29) which received Royal Assent on 17 July 2013

FINANCE ACT 2013

EXPLANATORY NOTES

INTRODUCTION

Section 217: Unauthorised unit trusts

Summary

1. Section 217 provides a power for HM Treasury to introduce regulations about the tax treatment of the trustees or unit holders of unauthorised unit trusts (UUTs). It also sets out the scope of what those regulations may provide for.

Details of the Section

2. Section (1) provides the power to make provision by regulation about the treatment of the trustees or unit holders of UUTs for the purposes of income tax, corporation tax, capital gains tax or stamp duty land tax.

3. Section (2) sets out further details about the scope of the regulations made under this section. This includes conferring or imposing powers or duties on HM Revenue & Customs officers, modifying any legislation, and specifying descriptions of different types of UUTs. The regulations may also contain provisions required to deal with transitional provisions.

4. Section (3) provides a definition of terms used in the section.

Background

5. Following the conclusion of a review of high risk areas of the tax system, begun at Budget 2011, this section enables the introduction of new tax rules in regulations for UUTs and their investors.

6. The main objective of the review is to prevent UUTs being used for avoidance purposes, but it will also simplify the rules and reduce administrative burdens.