
STATUTORY INSTRUMENTS

1997 No. 1154

The Open-ended Investment Companies (Tax) Regulations 1997

PART III

SPECIFIC MODIFICATIONS OF CHAPTER III OF PART
XII OF THE TAXES ACT (UNIT TRUST SCHEMES)

Modifications of section 468I

12.—(1) Section 468I(1) shall be modified in accordance with paragraphs (2) and (3).

(2) In subsection (7) there shall be inserted at the beginning the words “Subject to subsection (9) below,”.

(3) After subsection (7) there shall be added the following subsections—

“(8) Subject to subsection (9) below, where distribution accounts show an amount as available for distribution to owners of shares in any of the ways set out in subsections (2) to (4) above there shall not be any discrimination between owners of shares in respect of different classes of shares.

(9) For the purposes of subsections (7) and (8) above differences in amounts treated as paid in accordance with section 468J(2) or 468K(2), or treated as made in accordance with section 468L(2), to owners of shares in proportion to their rights in respect of different classes of shares shall not be regarded as discriminatory where those differences—

(a) are wholly attributable to differences between the amounts or treatment for accounting purposes of the charges or expenses which—

(i) are permitted by the instrument of incorporation of the open-ended investment company concerned or the prospectus in issue for the time being of that company (including any supplements to that prospectus), and

(ii) are payable out of the scheme property of that company in respect of the shares of those classes, and

(b) except where the relevant condition is satisfied, are not such as to enable the owners of the shares in any one of those classes to obtain a tax advantage which they would not obtain if there were no differences between the amounts or treatment for accounting purposes of those charges or expenses.

(10) For the purposes of paragraph (b) of subsection (9) above the relevant condition is that the company is able to show that the differences between the amounts or treatment for accounting purposes of the charges or expenses referred to in that subsection apply for bona fide commercial reasons.

(11) In paragraph (b) of subsection (9) above “tax advantage” has the same meaning as in Chapter I of Part XVII of the Taxes Act.”

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.
