

---

STATUTORY INSTRUMENTS

---

**2006 No. 1960**

**The Pensions Schemes (Application of UK Provisions to Relevant Non-UK Schemes)(Amendment) Regulations 2006**

**Amendment of the Pensions Schemes (Application of UK Provisions to Relevant Non-UK Schemes) Regulations 2006**

7. In regulation 4(3) for “it shall be assumed” to the end substitute—

“the following Rules apply (with an earlier Rule applying in preference to a later Rule).

*Rule 1*

Where an unauthorised payment is treated as made by the scheme to the transfer member by virtue of section 174A(1)—

- (a) the payment shall be treated as made out of the member’s RTF and TATF, but
- (b) the interest in taxable property, in respect of which the unauthorised payment is treated as made, shall represent the payment and form part of the member’s RTF and TATF (an “appropriated asset”), up to an amount equal to the amount of that payment.

*Rule 2*

Accordingly, if a scheme transfers that appropriated asset (or an interest in a vehicle through which the scheme holds the interest in the taxable property indirectly), or part of it, to another pension scheme, that transfer shall be treated as a transfer of the whole or part, as the case may be, of the member’s RTF and TATF (limited to the amount of the unauthorised payment) to that other scheme, falling (if appropriate) within regulation 3A(1)(b).

*Rule 3*

If a scheme disposes of (other than to another pension scheme) an appropriated asset (or an interest in a vehicle through which the scheme holds the interest in the taxable property indirectly), or part of it, any other property which directly or indirectly represents proceeds of either of those interests (limited to the amount of the unauthorised payment) shall form part of the member’s RTF and TATF.

*Rule 4*

This Rule applies to payments made by the scheme to or in respect of the member, other than—

- (a) a transfer of an interest in taxable property or an interest in a vehicle through which the scheme holds the interest in the taxable property indirectly, and
- (b) payments treated as made by virtue of section 174A.

So far as the member’s RTF and TATF are not represented by appropriated assets—

- (a) where the member has both an RTF and a TATF, and the amount of his RTF exceeds the amount of his TATF, such payments shall, to the extent of that excess, be treated as made out of his RTF (but not his TATF) and as reducing the RTF, and subject thereto

---

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

---

- (b) such payments are made out of the member's RTF and TATF in priority to any other fund under that scheme, and reduce (but not below nil) the amount of the RTF and TATF."