
STATUTORY INSTRUMENTS

2006 No. 964

The Authorised Investment Funds (Tax) Regulations 2006

PART 7 U.K.

CONSEQUENTIAL AMENDMENTS AND MODIFICATIONS OF ENACTMENTS

CHAPTER 3 U.K.

MODIFICATIONS OF TCGA 1992

Preliminary

Introduction U.K.

97. In its application in relation to—

- (a) authorised investment funds,
- (b) shareholders or unit holders in authorised investment funds, and
- (c) transactions involving authorised investment funds

TCGA 1992 has effect with the modifications specified in regulations 98 to 110.

General

Application of TCGA 1992: general U.K.

98.—(1) TCGA 1992 has effect in relation to—

- (a) open-ended investment companies,
- (b) holdings in, and the assets of, such companies, and
- (c) transactions involving such companies,

in like manner as the manner in which it has effect in relation to authorised unit trusts, to rights under, and the assets subject to, such trusts and to transactions for purposes connected with such trusts.

(2) References in TCGA 1992 to companies, to holdings in, and the assets of, companies and to transactions involving companies accordingly have effect (or do not have effect as the case may be) in relation to open-ended investment companies, to holdings in, and the assets of, such companies, and to transactions involving such companies, in like manner as the manner in which they have effect (or do not have effect) in relation to authorised unit trusts, to rights under, and the assets subject to, such trusts, and to transactions for purposes connected with such trusts.

(3) This regulation has effect subject to the other modifications contained in this Chapter.

General modifications of TCGA 1992

General modifications: introduction **U.K.**

99. The modifications specified in regulations 100 to 104 have effect subject to the modifications specified in regulations 105 to 110.

General modification: authorised unit trust **U.K.**

100.—(1) The modifications specified in this regulation are that references, however expressed, in TCGA 1992 to—

- (a) an authorised unit trust (other than references in a definition of an authorised unit trust, an unauthorised unit trust or a unit trust scheme),
- (b) a unit trust scheme as denoting or including (whether expressly or by implication) an authorised unit trust (other than references in a definition of an authorised unit trust, an unauthorised unit trust or a unit trust scheme),
- (c) the trustees of an authorised unit trust within sub-paragraph (a) or of a unit trust scheme within sub-paragraph (b),

have effect as if they included references to an open-ended investment company.

(2) Paragraph (1) does not apply—

- (a) to references in any of the provisions specified in paragraph (3), or
- (b) to references to provisions which include reference, whether made expressly or by implication, to an open-ended investment company.

(3) The provisions specified are—

- (a) section 99(1) (application of Act to unit trust scheme),
- ^{F1}(b)
- (c) section 100(2) (exemption for units in unit trust scheme), and
- (d) section 272(5) (valuation of rights of unit holders).

Textual Amendments

F1 Reg. 100(3)(b) omitted (8.6.2013) by virtue of [The Collective Investment Schemes \(Tax Transparent Funds, Exchanges, Mergers and Schemes of Reconstruction\) Regulations 2013 \(S.I. 2013/1400\)](#), regs. 1(1), **14(a)** (with reg. 1(2))

General modification: manager of authorised unit trust **U.K.**

101.—(1) The modifications specified in this regulation are that references, however expressed, in TCGA 1992 to the manager of an authorised unit trust or of a unit trust scheme within regulation 100(1)(b) have effect as if they included references to the authorised corporate director of the open-ended investment company concerned.

(2) Paragraph (1) does not apply—

- (a) to section 272(5) (valuation of rights of unit holders), or
- (b) to references in provisions which include reference, whether made expressly or by implication, to the authorised corporate director of an open-ended investment company.

General modification: unit in authorised unit trust **U.K.**

102.—(1) The modifications specified in this regulation are that references, however expressed, in TCGA 1992 to—

- (a) a unit or an interest in, or rights under, an authorised unit trust,
- (b) a unit or an interest in, or rights under, a unit trust scheme within regulation 100(1)(b), or
- (c) an entitlement to a share of, or in, the investments subject to the trusts of an authorised unit trust or a unit trust scheme within regulation 100(1)(b),

have effect as if they included references to a share in the open-ended investment company concerned.

(2) Paragraph (1) does not apply—

- (a) to section 99(1) (application of Act to unit trust scheme),
- ^{F2}(b)
- (c) to section 272(5) (valuation of rights of unit holders), or
- (d) to references in provisions which include reference, whether made expressly or by implication, to shares in, or an owner of shares in, an open-ended investment company.

Textual Amendments

F2 Reg. 102(2)(b) omitted (8.6.2013) by virtue of [The Collective Investment Schemes \(Tax Transparent Funds, Exchanges, Mergers and Schemes of Reconstruction\) Regulations 2013 \(S.I. 2013/1400\)](#), regs. 1(1), **14(b)** (with reg. 1(2))

General modification: accumulation units in authorised unit trusts **U.K.**

103.—(1) The modifications specified in this regulation are that references, however expressed, in TCGA 1992 to accumulation units in an authorised unit trust or in a unit trust scheme within regulation 100(1)(b) have effect as if they included references to accumulation shares in an open-ended investment company.

(2) In paragraph (1) “accumulation shares in an open-ended investment company” means shares in the company in respect of which income is credited periodically to the capital part of the scheme property of the company.

General modification: holder of unit in authorised unit trust **U.K.**

104.—(1) The modifications specified in this regulation are that references, however expressed, in TCGA 1992 to the holder of a unit within regulation 102(1) (other than references in a definition of a unit holder) have effect as if they included references to the owner of a share in the open-ended investment company concerned.

(2) Paragraph (1) does not apply—

- (a) to section 99(1) (application of Act to unit trust scheme),
- ^{F3}(b)
- (c) to section 272(5) (valuation of rights of unit holders), or
- (d) to references in provisions which include reference, whether made expressly or by implication, to shares in, or an owner of shares in, an open-ended investment company.

Textual Amendments

F3 Reg. 104(2)(b) omitted (8.6.2013) by virtue of [The Collective Investment Schemes \(Tax Transparent Funds, Exchanges, Mergers and Schemes of Reconstruction\) Regulations 2013 \(S.I. 2013/1400\)](#), regs. 1(1), **14(c)** (with reg. 1(2))

Specific modifications of TCGA 1992

Modification of section 99 of TCGA 1992 **U.K.**

105. In section 99 of TCGA 1992 (application of Act to unit trust schemes)^{M1}, in subsection (2), the words “ sections 99A and 99AA ” are treated as substituted for “section 99A”.

Marginal Citations

M1 Section 99 was relevantly amended by section 118(2) of the [Finance Act 2004 \(c. 12\)](#).

Insertion of section 99AA of TCGA 1992 **U.K.**

^{F4}**106.**

Textual Amendments

F4 Reg. 106 omitted (8.6.2013) by virtue of [The Collective Investment Schemes \(Tax Transparent Funds, Exchanges, Mergers and Schemes of Reconstruction\) Regulations 2013 \(S.I. 2013/1400\)](#), regs. 1(1), **14(d)** (with reg. 1(2))

Modification of section 170 of TCGA 1992 **U.K.**

107. In section 170 of TCGA 1992 (groups of companies: interpretation), after subsection (4), the following subsection is treated as inserted—

“(4A) An open-ended investment company cannot be the principal company of a group.”.

Modifications of section 272 of TCGA 1992 **U.K.**

108.—(1) Section 272 of TCGA 1992 (valuation: general) is modified as follows.

^{F5}(2)

(3) After subsection (5) the following subsection is treated as inserted—

“(5AA) In this Act “market value” in relation to shares of a given class in an open-ended investment company the prices of which are published regularly by the authorised corporate director of that company (whether or not those shares are also quoted in The Stock Exchange Daily Official List) shall mean an amount equal to the price so published on the relevant date, or if no price was published on that date, on the latest date before that date.”.

Textual Amendments

F5 Reg. 108(2) omitted (with effect in accordance with reg. 1(2)(3) of the amending S.I.) by virtue of [The Market Value of Shares, Securities and Strips Regulations 2015](#) (S.I. 2015/616), regs. 1(1), 4 (with reg. 2(2))

Modifications of section 288 of TCGA 1992 **U.K.**

109.—(1) Section 288 of TCGA 1992 (interpretation) ^{M2} is modified as follows.

(2) In subsection (1)—

^{F6}(a)

(b) the following definitions are treated as inserted at the appropriate places in alphabetical order—

““authorised corporate director” has the meaning given in regulations made under section 17(3) of the Finance (No. 2) Act 2005 (as at 1st April 2006, see regulation 8 of the Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/[abcd]));”

““open-ended investment company” has the meaning given in regulations made under section 17(3) of the Finance (No. 2) Act 2005 (as at 1st April 2006, see regulation 4 of the Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/[abcd]));”

““owner of shares” has the meaning given in regulations made under section 17(3) of the Finance (No. 2) Act 2005 (as at 1st April 2006, see regulation 8 of the Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/[abcd]));”.

Textual Amendments

F6 Reg. 109(2)(a) and word omitted (8.6.2013) by virtue of [The Collective Investment Schemes \(Tax Transparent Funds, Exchanges, Mergers and Schemes of Reconstruction\) Regulations 2013](#) (S.I. 2013/1400), regs. 1(1), 14(e) (with reg. 1(2))

Marginal Citations

M2 Section 288 was relevantly amended by section 118(4) of the Finance Act 2004.

Modification of Schedule A1 to TCGA 1992 **U.K.**

110. In Schedule A1 to TCGA 1992 (application of taper relief), in paragraph 16(2) (special rules for postponed gains) ^{M3}, at the end of paragraph (f) the word “ , or ” is treated as added and the following paragraph is then also treated as added—

“(g) regulations 67(4) and 68(4) of the Authorised Investment Funds (Tax) Regulations 2006.”.

Marginal Citations

M3 Schedule A1 was inserted by Schedule 20 to the [Finance Act 1998](#) (c. 36).

Changes to legislation:

There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, CHAPTER 3.