
STATUTORY INSTRUMENTS

2006 No. 964

The Authorised Investment Funds (Tax) Regulations 2006

[^{F1}PART 4A

PROPERTY AIFS

CHAPTER 3

THE TAX TREATMENT OF PROPERTY AIFS

Categories of business

[^{F1}Ring-fencing of tax-exempt business

69X.—(1) For the purposes of corporation tax, the business of F (tax-exempt) shall be treated as a separate business (distinct from—

- (a) any business carried on by F (pre-entry),
- (b) any business carried on by F (residual), and
- (c) any business carried on by F (post-cessation)).

(2) For the purposes of corporation tax, F (tax-exempt) shall be treated as a separate company (distinct from—

- (a) F (pre-entry),
- (b) F (residual), and
- (c) F (post-cessation)).

(3) In particular—

- (a) a loss incurred by F (tax-exempt) may not be set off against the net income of F (residual),
- (b) a loss incurred in respect of F (residual) may not be set off against the net income of F (tax exempt),
- (c) a loss incurred in respect of F (pre-entry) may not be set off against the net income of F (tax-exempt) (but this regulation does not prevent a loss of that kind from being set off against profits of F (residual)),
- (d) a loss incurred by F (tax-exempt) may not be set off against profits arising to F (post-cessation) (in respect of business of any kind), and
- (e) receipts accruing after entry but relating to business of F (pre-entry) shall not be treated as receipts of F (tax-exempt).

(4) In paragraph (3) a reference to a loss includes a reference to a deficit, expense, charge or allowance.

(5) Section 392B of ICTA (ring-fencing of losses from overseas property business) shall not apply to business of F (tax-exempt).

Changes to legislation: There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, Section 69X. (See end of Document for details)

(6) Paragraphs 5B and 5C of Schedule 28AA to ICTA (transfer pricing: exemption for small and medium enterprises) shall not apply to an open-ended investment company to which this Part applies (whether to F (tax-exempt) or to F (residual)).]

Textual Amendments

F1 Pt. 4A inserted (6.4.2008) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2008 \(S.I. 2008/705\)](#), regs. 1, 5

Changes to legislation:

There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, Section 69X.