
STATUTORY INSTRUMENTS

2006 No. 964

The Authorised Investment Funds (Tax) Regulations 2006

[^{F1}PART 6A

FUNDS INVESTING IN NON-REPORTING OFFSHORE FUNDS

CHAPTER 4

Exceptions, etc from the charge to tax

[^{F1}Charitable companies and charitable trusts

85T.—(1) A charitable company shall be exempt from corporation tax in respect of an income gain if the gain is applicable and is applied for charitable purposes.

(2) A charitable trust shall be exempt from income tax in respect of an income gain if the gain is applicable and is applied for charitable purposes.

(3) Paragraphs (4) and (5) apply if—

- (a) property held on charitable trusts ceases to be subject to charitable trusts, and
- (b) that property represents directly or indirectly an income gain.

(4) The trustees are treated as if they had disposed of and immediately reacquired that property for a consideration equal to its market value.

(5) An income gain accruing on the disposal arising under paragraph (4) is treated as an income gain not accruing to a charity.

(6) In this regulation “charity” and “charitable company” have the same meaning as in section 506 of ICTA.]

Textual Amendments

- F1** Pt. 6A inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2010 \(S.I. 2010/294\)](#), regs. 1(1), **21** (with regs. 25, 26)

Changes to legislation:

There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, Section 85T.