
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations specify certain types of transactions as “investment transactions” for the purposes of the Authorised Investment Funds (Tax) Regulations 2006, the Offshore Funds (Tax) Regulations 2009, the Investment Trust (Approved Company) (Tax) Regulations 2011 and the Unauthorised Unit Trusts (Tax) Regulations 2013. An investment transaction carried out by an authorised investment fund, an offshore fund, an investment trust or an exempt unauthorised unit trust, as the case may be, will not be characterised as a trading transaction for tax purposes if the fund concerned meets certain conditions set out in those Regulations.

Regulation 1 provides for citation, commencement and effect.

Regulation 2 specifies the Regulations for which provision is made by these Regulations and defines “investment transaction”. An investment transaction is transaction in stocks or shares, a transaction in a relevant contract, a transaction which results in a fund becoming a party to a loan relationship or a related transaction, a transaction in units in a collective investment scheme, a transaction in securities, a transaction in buying or selling currency, a transaction in a carbon emissions trading product and a transaction in rights under a life insurance policy.

Regulations 3 to 6 make provision about particular types of investment transaction.

Regulations 7 to 10 make consequential amendments to the Authorised Investment Funds (Tax) Regulations 2006, the Offshore Funds (Tax) Regulations 2009, the Investment Trust (Approved Company) (Tax) Regulations 2011 and the Unauthorised Unit Trusts (Tax) Regulations 2013 to refer to these Regulations and omit the equivalent provisions in those Regulations.

A Tax Information and Impact Note covering this instrument was published on 20 December 2013 and is available on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>. It remains an accurate summary of the impacts that apply to this instrument.