



Finance Act 1990

1990 CHAPTER 29

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Unit and investment trusts etc.

55 Investment trusts

(1) In section 842 of the Taxes Act 1988 (investment trusts) the following subsections shall be inserted after subsection (2)—

“(2A) Subsection (1)(e) above shall not apply as regards an accounting period if—

- (a) the company is required to retain income in respect of the period by virtue of a restriction imposed by law, and
- (b) the amount of income the company is so required to retain in respect of the period exceeds an amount equal to 15 per cent. of the income the company derives from shares and securities.

(2B) Subsection (2A) above shall not apply where—

- (a) the amount of income the company retains in respect of the accounting period exceeds the amount of income it is required by virtue of a restriction imposed by law to retain in respect of the period, and
- (b) the amount of the excess or, where the company distributes income in respect of the period, that amount together with the amount of income which the company so distributes is at least £10,000 or, where the period is less than 12 months, a proportionately reduced amount.

Status: This is the original version (as it was originally enacted).

- (2C) Paragraph (e) of subsection (1) above shall not apply as regards an accounting period if the amount which the company would be required to distribute in order to fall within that paragraph is less than £10,000 or, where the period is less than 12 months, a proportionately reduced amount.”
- (2) This section applies in relation to accounting periods ending on or after the day on which this Act is passed.