
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012,
Cross Heading: Formerly exempt property used to make investment. (See end of Document for details)

SCHEDULES

SCHEDULE 12

FOREIGN INCOME AND GAINS

PART 2

REMITTANCE FOR INVESTMENT PURPOSES

Formerly exempt property used to make investment

10 In section 809Y (property that ceases to be exempt property treated as remitted), after subsection (5) insert—

“(6) Subsection (1) does not apply to property that ceases to be exempt property if—

- (a) the property, or anything into which it is converted, is used by a relevant person to make a qualifying investment within the period of 45 days beginning with the day on which it ceased to be exempt property, and
- (b) the remittance basis user makes a claim for relief under this subsection on or before the first anniversary of the 31 January following the tax year in which the property ceases to be exempt property.

(7) The reference in subsection (6)(a) to anything into which property is converted is—

- (a) if the property is disposed of, the disposal proceeds, and
- (b) if the property is converted into money in some other way, the money into which it is converted,

(including where the disposal or conversion occurs after the property ceases to be exempt property).

(8) If subsection (1) does not apply by virtue of subsection (6)—

- (a) the property (or thing into which it was converted) used to make the investment is to be treated as containing or deriving from an amount of each kind of income and gain mentioned in section 809Q(4)(a) to (h) equal to the fixed amount,
- (b) the income or gains treated under section 809X as not remitted to the United Kingdom continue to be treated as not remitted to the United Kingdom even though the property has ceased to be exempt property, and
- (c) the business investment provisions apply to the income and gains as they apply to income or gains treated under section 809VA(2) as not remitted to the United Kingdom.

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- (9) “The fixed amount” is the amount of that kind of income or gain contained in the property when it was brought to, or received or used in, the United Kingdom (as mentioned in section 809X).
- (10) If the investment is made using more than just the property (or thing into which it was converted), treat only the part made using the property (or thing into which it was converted) as “the investment” for the purposes of the business investment provisions.”
- 11 In section 809Z2 (personal use rule), in subsection (2), omit paragraph (a) (including the word “and” at the end of it).
- 12 In section 809Z4 (temporary importation rule), in subsection (3)—
- (a) omit “or” at the end of paragraph (b),
 - (b) insert “ or ” at the end of paragraph (c), and
 - (c) after that paragraph insert—
 - “(d) all or any part of the income or chargeable gains contained in the property (or from which the property derives) is treated, or continues to be treated, under section 809VA(2), 809Y(8)(b) or 809YC(2) as not remitted to the United Kingdom.”

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