

# FINANCE ACT 2014

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## EXPLANATORY NOTES

### INTRODUCTION

#### ***Section 289: Undertakings for Collective Investment in Transferable Securities and Alternative Investment Funds***

#### **Details of the Section**

2. Subsection 2 substitutes subsections (1) and (2) of section 363A.
3. New subsection (1) removes the requirement for a fund within the scope of section 363A to come within the definition of an offshore fund at section 355 TIOPA, and amends it so that it applies to Undertakings For Collective Investment In Transferable Securities (UCITS) and to AIFs, provided that they are not ‘excluded entities’.
4. New subsection (2) no longer requires that a body corporate is treated as resident in a State for the purposes of any tax imposed on income and applies the provisions to entities within the extended scope of section 363A.
5. New subsection (2A) provides a definition of the term ‘excluded entity’, and lists entity types within that definition.
6. New subsection (2B) provides a power for The Treasury to add to, subtract from or vary the list at subsection (2A).
7. Subsection (3) replaces the reference in subsection (3) of section 363A to “offshore fund” with “UCITS or AIF”, and subsection (4) defines those and other terms used in the section.
8. Subsection 5 makes various consequential amendments to TIOPA.
9. Subsection 6 provides for the changes, which are wholly relieving, to come into force from 5 December 2013. Entities within the extended scope of amended section 363A will therefore be treated as not resident (as provided by that section) from that date.