
Changes to legislation: Finance (No. 2) Act 2017, Paragraph 46 is up to date with all changes known to be in force on or before 02 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 8

DEEMED DOMICILE: INCOME TAX AND CAPITAL GAINS TAX

PART 4

CLEANSING OF MIXED FUNDS

- 46 (1) This paragraph applies to determine, for the purposes of paragraph 45, the composition of the mixed fund referred to in paragraph 45(1).
- (2) Sub-paragraphs (3) to (5) apply where a transfer of money is made before 6 April 2008 from the mixed fund to another overseas account.
- (3) Take the following Steps—
- Step 1.* Calculate the total amount of income and chargeable gains in the mixed fund immediately before the transfer (“the total income and gains”).
- Step 2.* Calculate what proportion of the total income and gains is income and what proportion is chargeable gains.
- (4) If the amount transferred does not exceed the total income and gains, the transfer is to be treated as if it consisted of income and chargeable gains in the proportions found under Step 2 in sub-paragraph (3).
- (5) If the amount transferred exceeds the total income and gains, the transfer is to be treated as if it consisted of—
- (a) all the income and chargeable gains that were in the mixed fund immediately before the transfer, and
- (b) in respect of the balance, other capital from the mixed fund.
- (6) Sub-paragraphs (7) and (8) apply where—
- (a) a transfer of money is made before 6 April 2008 from another overseas account to the mixed fund, and
- (b) there is insufficient evidence to determine the composition of the transfer.
- (7) Take the following Steps—
- Step 1.* Calculate the total amount of income and chargeable gains in the other overseas account immediately before the transfer (“the total income and gains”).
- Step 2.* Calculate what proportion of the total income and gains is income and what proportion is chargeable gains.
- (8) The transfer is to be presumed to consist of income and chargeable gains in the proportions found under Step 2 in sub-paragraph (7).
- (9) For the purposes of Steps 1 and 2 in sub-paragraph (7), if there is insufficient evidence to say that an amount is income or that it is chargeable gains, treat it as income.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. A1 para. 8(6)(b) omitted by [2022 c. 3 Sch. 1 para. 32\(b\)](#)
- Sch. A1 para. 8(2) substituted by [2022 c. 3 Sch. 1 para. 32\(a\)](#)