STATUTORY INSTRUMENTS

1994 No. 2318

The Income Tax (Authorised Unit Trusts) (Interest Distributions) Regulations 1994

Modifications of sections 468O and 468P in relation to interest distributions made to or received under a trust

4. In section 468O for subsections (1) and (2) there shall be substituted the following subsections—

"(1) For the purposes of sections 468M and 468N(**1**), the residence condition is fulfilled with respect to a unit holder in the case of an interest distribution made to or received under a trust if there is a valid declaration made by the trustees of that trust that—

(a) the trustees are not resident in the United Kingdom, and

(b) each beneficiary of the trust is either not ordinarily resident or, in the case of a beneficiary which is a company, not resident in the United Kingdom.

(2) In subsection (1) above and in section 468P, references to a beneficiary are references to any person who is known to the trustees of the trust to be either—

(a) a person who is, or will or may become, entitled to any income of the trust, whether in the form of income or not, or

(b) a person to whom any such income may be paid, or for whose benefit any such income may be applied, whether in the form of income or not, in the exercise of a discretion by them.".

(**1**) Sections 468L, 468M and 468N were inserted by paragraph 2 of Schedule 14 to the Finance Act 1994.