
STATUTORY INSTRUMENTS

2006 No. 964

The Authorised Investment Funds (Tax) Regulations 2006

PART 7

CONSEQUENTIAL AMENDMENTS AND MODIFICATIONS OF ENACTMENTS

CHAPTER 3

MODIFICATIONS OF TCGA 1992

Specific modifications of TCGA 1992

Modification of section 99 of TCGA 1992

105. In section 99 of TCGA 1992 (application of Act to unit trust schemes)(1), in subsection (2), the words “sections 99A and 99AA” are treated as substituted for “section 99A”.

Insertion of section 99AA of TCGA 1992

106. After section 99A of TCGA 1992(2) the following section is treated as inserted—

“Open-ended investment companies: treatment of umbrella companies

99AA.—(1) In this section an “umbrella company” has the meaning given by section 468A(4) of the Taxes Act(3), and a reference to a part of an umbrella company is to be construed in accordance with that provision.

(2) For the purposes of this Act (except subsection (1))—

- (a) each of the parts of an umbrella company shall be regarded as an open-ended investment company, and
- (b) the umbrella company as a whole shall not be so regarded (and shall not, unless express provision is made otherwise, be regarded as a company).

(3) In this Act, in relation to a part of an umbrella company, any reference, however expressed, to an owner of shares in an open-ended investment company is to a person for the time being having rights in the separate pool to which the part of the umbrella company relates.

(4) Nothing in subsection (2) or (3) shall prevent—

- (a) gains accruing to an umbrella company being regarded as gains accruing to an open-ended investment company for the purposes of section 100(1) (exemption for authorised unit trusts etc);

(1) Section 99 was relevantly amended by section 118(2) of the Finance Act 2004 (c. 12).

(2) Section 99A was inserted by section 118(3) of the Finance Act 2004.

(3) Section 468A was inserted by section 16 of the Finance (No. 2) Act 2005 (c. 22).

- (b) a transfer of business to an umbrella company being regarded as a transfer to an open-ended investment company for the purposes of section 139(4) (exclusion of transfers to authorised unit trusts etc).”.

Modification of section 170 of TCGA 1992

107. In section 170 of TCGA 1992 (groups of companies: interpretation), after subsection (4), the following subsection is treated as inserted—

“(4A) An open-ended investment company cannot be the principal company of a group.”.

Modifications of section 272 of TCGA 1992

108.—(1) Section 272 of TCGA 1992 (valuation: general) is modified as follows.

(2) In subsection (3)(a) the words “where a single price is shown in the quotations for the shares or securities in The Stock Exchange Daily Official List on the relevant date, that price, or” are treated as inserted after “2 figures, or”.

(3) After subsection (5) the following subsection is treated as inserted—

“(5AA) In this Act “market value” in relation to shares of a given class in an open-ended investment company the prices of which are published regularly by the authorised corporate director of that company (whether or not those shares are also quoted in The Stock Exchange Daily Official List) shall mean an amount equal to the price so published on the relevant date, or if no price was published on that date, on the latest date before that date.”.

Modifications of section 288 of TCGA 1992

109.—(1) Section 288 of TCGA 1992 (interpretation)(4) is modified as follows.

(2) In subsection (1)—

(a) in the definition of “collective investment scheme”, the words “sections 99A and 99AA” are treated as substituted for “section 99A”, and

(b) the following definitions are treated as inserted at the appropriate places in alphabetical order—

““authorised corporate director” has the meaning given in regulations made under section 17(3) of the Finance (No. 2) Act 2005 (as at 1st April 2006, see regulation 8 of the Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/[abcd]));”

““open-ended investment company” has the meaning given in regulations made under section 17(3) of the Finance (No. 2) Act 2005 (as at 1st April 2006, see regulation 4 of the Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/[abcd]));”

““owner of shares” has the meaning given in regulations made under section 17(3) of the Finance (No. 2) Act 2005 (as at 1st April 2006, see regulation 8 of the Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/[abcd]));”.

(4) Section 288 was relevantly amended by section 118(4) of the Finance Act 2004.

Modification of Schedule A1 to TCGA 1992

110. In Schedule A1 to TCGA 1992 (application of taper relief), in paragraph 16(2) (special rules for postponed gains)⁽⁵⁾, at the end of paragraph (f) the word “, or” is treated as added and the following paragraph is then also treated as added—

“(g) regulations 67(4) and 68(4) of the Authorised Investment Funds (Tax) Regulations 2006.”.

(5) Schedule A1 was inserted by Schedule 20 to the Finance Act 1998 (c. 36).