
STATUTORY INSTRUMENTS

2007 No. 794

**INCOME TAX
CORPORATION TAX
CAPITAL GAINS TAX**

**The Authorised Investment Funds (Tax)
(Amendment No. 2) Regulations 2007**

<i>Made</i>	- - - -	<i>12th March 2007</i>
<i>Laid before the House of Commons</i>	- - - -	<i>13th March 2007</i>
<i>Coming into force</i>	- -	<i>6th April 2007</i>

The Treasury make the following Regulations in exercise of the powers conferred by sections 17(3) and 18 of the Finance (No. 2) Act 2005⁽¹⁾.

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Authorised Investment Funds (Tax) (Amendment No. 2) Regulations 2007 and shall come into force on 6th April 2007.

(2) In these Regulations “the principal Regulations” means the Authorised Investment Funds (Tax) Regulations 2006⁽²⁾.

Amendment of the principal Regulations: general

2. The principal Regulations are amended as follows.

Amendment of regulation 26 of the principal Regulations

3. In regulation 26(4)(c) (deduction of tax where interest distributions made) insert “or” at the end.

(1) 2005 c. 22.

(2) S.I. 2006/964, to which there are amendments not relevant to these Regulations.

Amendment of regulation 81 of the principal Regulations

4. In regulation 81(1) (distributions by authorised unit trust after the end of its pre-transfer accounting period) for “3.1.4” substitute “22”.

Insertion of regulation 93A in the principal Regulations

5. Insert the following regulation after regulation 93 (modification of the Tax Acts: introduction)

“Modifications of TMA 1970

93A.—(1) TMA 1970 is modified as follows.

(2) In section 98(4E) (special returns etc.)**(3)**—

- (a) in paragraph (a) for “trustees of an authorised unit trust” substitute “legal owner of an authorised investment fund”;
- (b) in paragraph (b)—
 - (i) for “trustees” substitute “legal owner”, and
 - (ii) for “do not comply” substitute “does not comply”; and
- (c) in paragraph (d) for “trustees” substitute “legal owner”.”.

Amendment of regulation 94 of the principal Regulations

6. In regulation 94(5) (modifications of the Income and Corporation Taxes Act 1988**(4)**) for “the following subsection is treated as insert” substitute “the following subsection is treated as inserted”.

Amendment of the Schedule to the principal Regulations

7. In Part 2 of the Schedule to the principal Regulations (abbreviations and defined expressions) insert at the appropriate places—

“reputable intermediary condition (in Part 4)

Regulation 27

residence condition (in Part 4)

Regulation 30.”

Revocations

8. The following provisions of the principal Regulations are revoked—

- (a) regulation 1(3);
- (b) in regulation 26(4), sub-paragraph (e) and the word “or” immediately preceding it;
- (c) regulations 34 to 46.

(3) Subsection (4E) of section 98 was inserted by section 203(12) of the Finance Act 2003 (c. 14) and amended by regulation 87(2) (a) of S.I. 2006/964.

(4) 1988 c. 1.

12th March 2007

Frank Roy
Dave Watts
Two of the Lords Commissioners of Her
Majesty's Treasury

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Authorised Investment Funds Regulations 2006 (S.I. 2006/964) (“the principal Regulations”). They revoke those parts of the principal Regulations which provide that the obligation to make a deduction by way of income tax from an interest distribution does not apply if the non-liability condition is met (see regulation 8). These Regulations also make a number of consequential and minor amendments to the principal Regulations.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.