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STATUTORY INSTRUMENTS

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**2011 No. 2951**

**CORPORATION TAX**

**The Investment Trusts (Dividends) (Optional Treatment as Interest Distributions) (Amendment) Regulations 2011**

<i>Made</i>	- - - -	<i>8th December 2011</i>
<i>Laid before the House of Commons</i>	- - - -	<i>9th December 2011</i>
<i>Coming into force</i>	- -	<i>1st January 2012</i>

The Treasury make the following Regulations in exercise of the powers conferred by section 45(1) to (3) of the Finance Act 2009<sup>(1)</sup>.

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Investment Trusts (Dividends) (Optional Treatment as Interest Distributions) (Amendment) Regulations 2011 and shall come into force on 1st January 2012.

(2) These Regulations shall have effect in relation to amounts distributed in respect of accounting periods beginning on or after 1st January 2012.

**Amendment to the Investment Trusts (Dividends) (Optional Treatment as Interest Distributions) Regulations 2009**

2. The Investment Trusts (Dividends) (Optional Treatment as Interest Distributions) Regulations 2009<sup>(2)</sup> are amended as follows.

**Amendment of regulation 6 (notification of designation of dividends as interest distributions)**

3. Omit regulation 6 (notification of designation of dividends as interest distributions).

**Amendment of regulation 12 (failure to obtain approval as an investment trust)**

4. For regulation 12 (failure to obtain approval as an investment trust) substitute—

“12. No amount may be distributed as an interest distribution by a company in relation to an accounting period for which the company is not approved, or is treated as not having

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(1) 2009 c.10.  
(2) S.I. 2009/2034.

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**Status:** This is the original version (as it was originally made).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

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been approved, in accordance with regulations made under section 1159 of the Corporation Tax Act 2010<sup>(3)</sup>.”.

8th December 2011

*Angela Watkinson*  
*James Duddridge*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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(3) 2010 c.4; new section 1159 was substituted by section 49 of the Finance Act 2011 (c.11).

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Investment Trusts (Dividends) (Optional Treatment as Interest Distributions) Regulations 2009 ([S.I. 2009/2034](#)) (“the 2009 Regulations”) which enable an investment trust or prospective investment trust (i.e. a company that expects to be approved as an investment trust) to treat its dividends as payments of interest rather than as dividends on shares for tax purposes.

Regulation 1 provides for citation, commencement and effect.

Regulation 2 introduces amendments to the 2009 Regulations.

Regulation 3 revokes regulation 6 of the 2009 Regulations.

Regulation 4 substitutes regulation 12 of the 2009 Regulations so that interest distributions cannot be made in relation to an accounting period for which a company is not approved as an investment trust in accordance with regulations made under section 1159 of Corporation Tax Act 2010.

A Tax Information and Impact Note has not been prepared for this Instrument as it contains no substantive changes to tax policy.