

STATUTORY INSTRUMENTS

2013 No. 2819

The Unauthorised Unit Trusts (Tax) Regulations 2013

PART 2

Exempt unauthorised unit trusts

CHAPTER 6

Relief for trustees of an exempt unauthorised unit trust

Relief for deemed payments by trustees of an exempt unauthorised unit trust

18.—(1) If the unit holders of an exempt unauthorised unit trust are treated as receiving income under regulation 15(2), the trustees are treated as making a deemed payment of the same amount on the final day of the period of account referred to in regulation 15(2).

(2) The trustees are entitled to relief for a tax year equal to the amount of the deemed payments treated as made in that year.

(3) The relief is given by deducting that amount in calculating the trustees' net income for the tax year (see Step 2 of the calculation in section 23 of ITA 2007 (calculation of income tax liability)^{M1}).

(4) The total amount of the relief for a tax year must not exceed the amount of the trustees' modified net income for the tax year.

(5) If there is an excess, that excess is to be treated as if it were a deemed payment in the basis period for the following tax year.

(6) In this regulation “modified net income” has the meaning given by section 1025 of ITA 2007 but as if for subsection (2)(c) there were substituted—

“(c) any relief to which the person may be entitled under regulation 18 of the Unauthorised Unit Trusts (Tax) Regulations 2013.”.

Modifications etc. (not altering text)

C1 Reg. 18 excluded (with effect in accordance with Sch. 18 para. 63 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 18 para. 20\(15\)](#)

Marginal Citations

M1 [Section 23](#) was amended by section 5 of and paragraph 6(o)(i) of Schedule 1 to FA 2009.

Amounts ineligible for relief under regulation 18

19.—(1) Relief is not to be given under regulation 18 for any part of a deemed payment so far as it is ineligible for relief.

(2) In determining the extent (if any) to which the payment is ineligible for relief section 450 of ITA 2007 (payments ineligible for relief) applies in relation to the payment as that section applies in relation to a payment to which section 449 of that Act applies ^{M2}.

Marginal Citations

M2 Section 449 was amended by section 66(4) of the FA 2008.

Amounts ineligible for relief under regulation 18: payments to certain unit holders where regulation 3(4) applies

20. Relief is not to be given under regulation 18 for any part of a deemed payment so far as it is attributable to income treated as received by a unit holder under regulation 15 where the unit holder—

- (a) disposed of its units in the circumstances described in regulation 3(4)(c), and
- (b) was not UK resident at the time the income is treated as received.

Effect of equalisation arrangements on relief for trustees

21.—(1) This regulation applies to an exempt unauthorised unit trust which operates equalisation arrangements in the case of a disposal of units by way of either cancellation or acquisition by the managers of the trust.

(2) The amount of the deemed payment for which the trustees are entitled to relief for a tax year under regulation 18 includes any amount paid to unit holders (in the basis period for the year) on a disposal of some or all of their units so far as attributable to the income of the trust which has accrued up to the date of the disposal (but has not otherwise been received, or treated as received, by unit holders).

Changes to legislation:

There are currently no known outstanding effects for the The Unauthorised Unit Trusts (Tax) Regulations 2013, CHAPTER 6.