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STATUTORY INSTRUMENTS

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**2013 No. 2819**

**The Unauthorised Unit Trusts (Tax) Regulations 2013**

**PART 5**

**Repeals and consequential amendments**

**Chevening Estate Act 1959**

- 33.** In section 2 of the Chevening Estate Act 1959(1) (exemption from income tax, etc)—
- (a) in subsection (1), after paragraph (c) insert—
    - “(d) from income tax chargeable under regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013, in respect of income arising from and subject to those trusts.”, and
  - (b) in subsection (1A), omit paragraph (c).

**TCGA 1992**

- 34.** In section 100(2) of TCGA 1992 (exemption for authorised unit trusts etc), omit subsections (2) to (2B).

**Finance Act 2000**

- 35.** In paragraph 51(3)(3) of Schedule 22 to the Finance Act 2000(4) (tonnage tax: general exclusion of investment income)—
- (a) omit paragraph (c) (together with the “or” at the end of it),
  - (b) in paragraph (d), for “that Part” substitute “Part 10 of that Act”, and
  - (c) at the end of that paragraph insert—
    - “, or
    - (e) regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013.”.

**ITTOIA 2005**

- 36.**—(1) ITTOIA 2005 is amended as follows.
- (2) In section 365(1) (overview of Part 4 of Act), omit paragraph (i).

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(1) 1959 c.49. Section 2 was amended by Part 1 of Schedule 13 to the Finance Act 1963 (c.25), by section 4 of the Chevening Estate Act 1987 (c.20), by paragraph 356 of Part 2 of Schedule 1 and Schedule 3 to ITTOIA 2005 and by paragraph 241 of Part 2 of Schedule 1 to the Income Tax Act 2007 (c.3) (referred to as “ITA 2007” in the remaining footnotes).

(2) 1992 (c.12). Sections 100(2A) and (2B) were inserted by section 20 of the Finance (No 2) Act 2005 (c.22) and amended by paragraph 74 of Schedule 16 and paragraph 15 of Schedule 18 to the Finance Act 2012 (c.14).

(3) Paragraph 51 was amended by section 1322 of and paragraphs 462 and 470 of Schedule 1 to the Corporation Tax Act 2009 (c.4) (referred to as “CTA 2009” in the remaining footnotes)

(4) 2000 c.17.

(3) In section 397(6)(5) (tax credits for qualifying distributions of UK resident companies: UK residents and eligible non-UK residents), omit the entry relating to section 504(4) of ITA 2007.

(4) In section 397A(6)(6) (tax credits for qualifying distributions of non-UK resident companies: UK residents and eligible non-UK residents), omit the entry relating to section 504(4) of ITA 2007.

(5) In section 399(7)(7) (qualifying distributions received by persons not entitled to tax credits), omit the entry relating to section 504(4) of ITA 2007.

(6) In section 400(8) (non-qualifying distributions), omit subsection (7).

(7) In section 410(3)(9) (when stock dividend income arises), for “section 504 of that Act” substitute “regulation 12 of the Unauthorised Unit Trusts (Tax) Regulations 2013”.

(8) Omit Chapter 10(10) of Part 4 (distributions from unauthorised unit trusts).

(9) In section 839(11) (annual payments payable out of relevant foreign income)—

(a) in subsection (3) —

(i) omit the entry relating to Chapter 10 of Part 4 of ITTOIA 2005,

(ii) omit the “or” before the entry relating to Chapter 7 of Part 5 of that Act, and

(b) at the end insert—

“, or

regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013.”, and

(c) in subsection (3A)(b), for the words from “Chapter 5” to the end substitute “Chapter 7 of Part 10 of that Act (annual payments not otherwise charged) or regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013”.

## ITA 2007

**37.**—(1) ITA 2007 is amended as follows.

(2) In section 2(9) (overview of Act), omit paragraph (e) (but not the “and” at the end of it).

(3) In section 14(2) (income charged at the dividend ordinary rate: other persons), omit the entry relating to section 504(3) of ITA 2007 (but not the “and” at the end of it).

(4) In section 24(2)(b)(12) (reliefs deductible at Step 2), for “section 505 (relief for trustees of unauthorised unit trust)” substitute “regulation 18 of the Unauthorised Unit Trusts (Tax) Regulations 2013”.

(5) In section 462(13) (overview of Part 9 of Act), omit subsection (9).

(6) Omit sections 504 to 505(14) (unauthorised unit trusts).

(7) In section 532(2)(f) (special rules about charitable trusts etc: exemption for savings and investment income), for the words from “Chapter 10” to the end substitute “regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013 as received by a unit holder from an exempt unauthorised unit trust”.

(5) Section 397 was amended by paragraph 515 of Schedule 1 to ITA 2007.

(6) Section 397A was inserted by paragraph 4 of Schedule 12 to the FA 2008 and amended by paragraph 2 of Schedule 19 to the FA 2009 and by paragraph 66 of Schedule 8 to the Taxation (International and Other Provisions) Act 2010 (c.8) (referred to as “TIOPA 2010” in the remaining footnotes).

(7) Section 399(7) was amended by paragraph 516 of Schedule 1 to ITA 2007.

(8) Section 400 was amended by paragraph 517 of Schedule 1 to ITA 2007.

(9) Section 410 was amended by paragraph 519 of Schedule 1 of ITA 2007 and by paragraph 21 of Schedule 6 to the Finance Act 2010 (c.13) (referred to as “FA 2010” in the remaining footnotes).

(10) Chapter 10 was amended by paragraph 542 of Schedule 1 to ITA 2007.

(11) Section 839 was amended by paragraphs 587 and 637 of Schedule 1 to CTA 2009.

(12) Section 24(1)(b) was amended by section 84 of and paragraph 27 of Schedule 27 to FA 2008.

(13) Section 462 was amended by section 31 of and paragraph 3 of Schedule 14 to the Finance (No 3) Act 2010 (c.33).

(14) Chapter 9 was amended by section 66 to and paragraph 25 of Schedule 12 to FA 2008 and S.I. 2010/23.

(8) In section 809CZB(1)(b)(**15**) (loan or credit transactions: certain payments treated as yearly interest), for the words from “Chapter 5” to the end substitute “Chapter 7 of Part 10 of CTA 2009 (annual payments not otherwise charged) or regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013”.

(9) In section 825(2) (meaning of “disregarded savings and investment income”)—

(a) omit paragraph (d) (together with the “or” at the end of it), and

(b) at the end of paragraph (e) insert—

“, or

(f) regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013.”.

(10) In section 847(5) (overview of Part), omit paragraph (b) (but not the “and” at the end of it).

(11) In section 848(**16**) (income tax deducted at source treated as income tax paid by recipient), omit subsection (4).

(12) In section 873(2)(a)(**17**) (discretionary or accumulation settlements), for “section 504” substitute “regulation 12 of the Unauthorised Unit Trusts (Tax) Regulations 2013”.

(13) In section 899(4)(b)(ii)(**18**) (meaning of “qualifying annual payment”), for the words from “Chapter 5” to the end substitute “Chapter 7 of Part 10 of that Act (annual payments not otherwise charged) or regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013”.

(14) In section 904(2)(b)(ii)(**19**) (annual payments for dividends or non-taxable consideration), for the words from “Chapter 5” to the end substitute “Chapter 7 of Part 10 of that Act (annual payments not otherwise charged) or regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013”.

(15) Omit Chapter 13(**20**) of Part 15 (unauthorised unit trusts).

(16) In section 964 (collection through self-assessment), omit subsection (2).

(17) In section 975 (statements about deduction of income tax)—

(a) omit subsections (3) and (4),

(b) in subsection (6), omit “or (4)” and “or U (as the case may be)”, and

(c) omit subsection (7).

(18) In section 1025 omit subsection (4) (meaning of “modified net income”).

(19) In Schedule 2 (unauthorised unit trusts: calculation of trustees’ income pool), omit paragraphs 167 and 168.

(20) In Schedule 4 (index of defined expressions), omit—

(a) the entry relating to deemed deduction (in Chapter 13 of Part 15),

(b) the entry relating to deemed income (in Chapter 13 of Part 15),

(c) the entry relating to deemed payment (in Chapter 13 of Part 15),

(d) the entry relating to foreign element (in Chapter 13 of Part 15), and

(e) the entry relating to the gross amount (in Chapter 13 of Part 15).

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(15) Section 809CZB was inserted by paragraph 7 of Schedule 5 to TIOPA 2010.

(16) Section 848(4) was inserted by paragraph 2 of Schedule 13 to FA 2010.

(17) Section 873 was amended by paragraph 23 of Schedule 6 to FA 2010.

(18) Section 899(4)(b) was amended by paragraph 707 of Schedule 1 to CTA 2009.

(19) Section 904 was amended by paragraph 708 of Schedule 1 to CTA 2009.

(20) Chapter 13 was amended by paragraph 713 of Schedule 1 to CTA 2009 and by paragraph 1 of Schedule 13 to FA 2010.

**CTA 2009**

**38.**—(1) CTA 2009 is amended as follows.

(2) In section 932(1) (overview of Part), omit paragraph (d).

(3) Omit Chapter 5(21) of Part 10 (distributions from unauthorised unit trusts).

(4) In section 982(1)(a) and (2)(a)(22) (provisions which must be given priority over Part 10), omit “5 or”.

**CTA 2010**

**39.**—(1) CTA 2010 is amended as follows.

(2) In section 1(3) (overview of Act), omit paragraph (h).

(3) In section 486 (exemption for investment income and non-trading profits from loan relationships)—

(a) in subsection (2)(c), for the words from “Chapter 5” to the end substitute “regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013 as received by a unit holder from an exempt unauthorised unit trust.”, and

(b) in subsection (4), for the words from “Part 10 of CTA 2009” to the end substitute “regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013 (see regulation 17 of those regulations as to provisions given priority over that regulation).”.

(4) Omit Chapter 3 of Part 13 (unauthorised unit trusts).

(5) In section 778(1)(b) (certain payments treated as interest), for the words from “Chapter 5” to the end substitute “Chapter 7 of Part 10 of CTA 2009 (annual payments not otherwise charged) or regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013.”.

**FA 2012**

**40.** In section 74(1) of FA 2012 (the I – E rules: meaning of “income”)—

(a) omit paragraph (f),

(b) omit the “and” before paragraph (j), and

(c) after that paragraph insert—

“, and

(k) income of the company chargeable under regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013.”.

**Consequential repeals of other enactments**

**41.** In consequence of the amendments made by the above provisions of this Part, omit the following provisions—

(a) in ITA 2007, paragraphs 541 and 542 of Schedule 1,

(b) in FA 2008, paragraph 23 of Schedule 1 and paragraph 25 of Schedule 12,

(c) in CTA 2009, paragraph 713 of Schedule 1,

(d) in FA 2009, paragraph 13(a) of Schedule 19,

(e) in CTA 2010, paragraph 663 of Schedule 1, and

(21) Chapter 5 was amended by paragraph 66 of Schedule 1 to CTA 2010.

(22) Section 982(1)(a) was amended by paragraph 26 of Schedule 14 to FA 2009.

(f) in FA 2010, section 40 and Schedule 13.

### **AIF Regulations**

**42.**—(1) In regulation 17(2)(**23**) of the AIF Regulations (allocation of income), after “Part 4 of CTA 2009” insert “or regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013”.

### **Offshore Funds Regulations**

**43.** In regulation 18(6)(**24**) of the Offshore Funds Regulations (the charge to tax: further provisions)—

(a) omit the “or” at the end of paragraph (a), and

(b) after paragraph (b) insert—

“, or

(c) the trustees of an exempt unauthorised unit trust to which regulations 22 or 23 of the Unauthorised Unit Trusts (Tax) Regulations 2013 applies.”.

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(23) Regulation 17(2) was substituted by [S.I. 2010/294](#).

(24) Regulation 8(6) was substituted by [S.I. 2011/2999](#).