
STATUTORY INSTRUMENTS

2013 No. 2819

The Unauthorised Unit Trusts (Tax) Regulations 2013

PART 2

Exempt unauthorised unit trusts

CHAPTER 4

Taxation of income of exempt unauthorised unit trusts

Treatment of income of an exempt unauthorised unit trust

12.—(1) If income arises to the trustees of an exempt unauthorised unit trust, the income is treated as the income of the trustees and not of the unit holders.

(2) If income tax on any part of the income arising to the trustees of an exempt unauthorised unit trust would apart from this paragraph be charged at the dividend ordinary rate, income tax on that part of the income is instead charged at the basic rate.

(3) None of the following applies in relation to the income—

- (a) sections 397(1) and 397A(1) ^{M1} of ITTOIA 2005 (tax credits for qualifying distributions),
- (b) section 399(2) and (6) of ITTOIA 2005 (person not entitled to tax credits treated as having paid income tax),
- (c) section 400(2) and (3) of ITTOIA 2005 (person whose income includes non-qualifying distribution treated as having paid income tax), and
- (d) section 479 of ITA 2007 (trustees' accumulated or discretionary income to be charged at special rates).

[^{F1}(3A) Subsections (1) to (4) of section 272A of ITTOIA 2005 (restricting deductions for finance costs related to residential property) do not apply in relation to calculating the profits of a UK property business, or overseas property business, for the purposes of charging the trustees of an exempt unauthorised unit trust to income tax on those profits.]

(4) Sections 494, 495 and 496B of ITA 2007 ^{M2} (discretionary payments) do not apply in relation to payments made by the trustees.

F1 [Reg. 12\(3A\)](#) inserted (7.1.2016) by [The Unauthorised Unit Trusts \(Tax\) \(Amendment No. 2\) Regulations 2015 \(S.I. 2015/2053\)](#), regs. 1, 3

Marginal Citations

M1 [2005 c.5](#). Section 397A was inserted by paragraph 4 of Schedule 12 to FA 2008.

M2 [2007 c.3](#). Section 496B was inserted by [S.I. 2010/157](#).

Changes to legislation:

There are currently no known outstanding effects for the The Unauthorised Unit Trusts (Tax) Regulations 2013, Section 12.