

SCHEDULES

SCHEDULE 9

PENSIONS

PART 3

NON-UK SCHEMES

Amendments of Part 4 of FA 2004

45 For section 244A (overseas transfer charge) substitute—

“244AA Overseas transfer charge: introduction

A charge to income tax, to be known as the overseas transfer charge, arises under the following sections—

- (a) [section 244AC](#) (overseas transfer charge: transfers where no exclusion applies);
- (b) [section 244IA](#) (overseas transfer charge: transfers exceeding available allowance).

244AB Overseas transfer charge: interpretation

(1) In this section and in [sections 244AC](#) to 244N—

“former QROPS” means a scheme that has at any time been a QROPS;

“onward transfer” means (subject to [subsection \(3\)](#)) a transfer of sums or assets held for the purposes of, or representing accrued rights under, an arrangement under a QROPS or a former QROPS in relation to a member so as to become held for the purposes of, or to represent rights under, an arrangement under another QROPS in relation to that person as a member of that other QROPS;

“original transfer”, in relation to an onward transfer, means (subject to [subsection \(3\)](#))—

- (a) the recognised transfer or relieved relevant non-UK scheme transfer in respect of which the following conditions are met—
 - (i) it is from a registered pension scheme or a relieved relevant non-UK scheme to a QROPS,
 - (ii) the sums and assets transferred by the onward transfer directly or indirectly derive from those transferred by it, and
 - (iii) it is more recent than any other recognised transfer or relieved relevant non-UK scheme transfer in respect

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of which the conditions in sub-paragraphs (i) and (ii) are met, or

- (b) where there is no such recognised transfer or relieved relevant non-UK scheme transfer, the relevant transfer (see paragraph 1(6) of Schedule 34) in respect of which the following conditions are met—
- (i) it is from a relevant non-UK scheme (see paragraph 1(5) of Schedule 34),
 - (ii) it is a transfer of the whole or part of the UK tax-relieved fund (see paragraph 3 of Schedule 34) of a member of the scheme,
 - (iii) it is to a QROPS, and
 - (iv) the sums and assets transferred by the onward transfer directly or indirectly derive from those transferred by it;

“QROPS” means a qualifying recognised overseas pension scheme;

“recognised transfer” has the meaning given by section 169;

“the relevant period” means—

- (a) in the case of a recognised transfer or a relieved relevant non-UK scheme transfer made on 6 April in any year, the five years beginning with the date of that transfer,
- (b) in the case of any other recognised transfer or relieved relevant non-UK scheme transfer, the period consisting of the combination of—
 - (i) the period beginning with the date of the transfer and ending immediately before the next 6 April, and
 - (ii) the five years beginning at the end of that initial period,
- (c) in the case of an onward transfer, the period—
 - (i) beginning with the date of the transfer, and
 - (ii) ending at the end of the relevant period for the original transfer (see paragraphs (a) and (b) or, as the case may be, paragraphs (d) and (e)),
- (d) in the case of a relevant transfer that—
 - (i) is made on 6 April in any year, and
 - (ii) is the original transfer for an onward transfer,
 the five years beginning with the date of the relevant transfer, and
- (e) in the case of a relevant transfer that—
 - (i) is made otherwise than on 6 April in any year, and
 - (ii) is the original transfer for an onward transfer,
 the period consisting of the combination of: the period beginning with the date of the relevant transfer and ending immediately before the next 6 April; and the five years beginning at the end of that initial period;

“relieved relevant non-UK scheme” means a pension scheme that is a relevant non-UK scheme within the meaning of sub-

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paragraph (5) of paragraph 1 of Schedule 34 in respect of which at least one of paragraphs (a) to (c) of that sub-paragraph applies;

“relieved relevant non-UK scheme transfer” means a transfer, other than a block transfer, of sums or assets held for the purposes of, or representing accrued rights under, an arrangement under a relieved relevant non-UK scheme in relation to a relieved member of the scheme so as to become held for the purposes of, or to represent rights under, an arrangement under a QROPS in relation to that person as a member of that QROPS;

“ring-fenced transfer fund”, in relation to a QROPS or former QROPS, has the meaning given by paragraph 1 of Schedule 34.

- (2) For the purposes of the definition of “relieved relevant non-UK scheme transfer”—
- (a) a transfer is “a block transfer” in relation to a member of a pension scheme if it involves the transfer, in a single transaction, of all the sums and assets held for the purposes of, or representing accrued rights under, the arrangements under the scheme which relate to the member and at least one other member of the scheme;
 - (b) an individual is “a relieved member” of a relieved relevant non-UK scheme if—
 - (i) any of the contributions in respect of which relief has been given as mentioned in paragraph (a) or (b) of the definition of “relevant non-UK scheme” in paragraph 1(5) of Schedule 34 were contributions paid by or on behalf of, or in respect of, the individual, or
 - (ii) the individual is the member, or one of the members, who has been exempt from liability to tax as mentioned in paragraph (c) of that definition.
- (3) Where, apart from this subsection, there would be different original transfers for different parts of an onward transfer, each such part of the onward transfer is to be treated as a separate onward transfer for the purposes of this section and [sections 244AC](#) to [244N](#).

244AC Overseas transfer charge: transfers where no exclusion applies

- (1) The overseas transfer charge arises where—
- (a) a transfer within [subsection \(2\)](#) is made to a QROPS, and
 - (b) the transfer is not excluded from the charge by or under any of [sections 244B](#) to [244H](#).
- (2) A transfer to a QROPS is within this subsection if it is—
- (a) a recognised transfer,
 - (b) a relieved relevant non-UK scheme transfer, or
 - (c) an onward transfer that is made during the relevant period for the original transfer.
- (3) [Sections 244B](#) to [244H](#) are subject to [section 244I](#) (circumstances in which exclusions do not apply).”