

**2003 No. 1831**

**INCOME TAX**

**The Open-ended Investment Companies (Tax) (Amendment)  
Regulations 2003**

<i>Made</i> - - - -	<i>17th July 2003</i>
<i>Laid before the House of Commons</i>	<i>17th July 2003</i>
<i>Coming into force</i> - -	<i>7th August 2003</i>

The Treasury, in exercise of the powers conferred upon them by section 152 of the Finance Act 1995(a), hereby make the following Regulations:

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Open-ended Investment Companies (Tax) (Amendment) Regulations 2003 and shall come into force on 7th August 2003.

(2) These Regulations have effect in relation to interest distributions made on or after 16th October 2002.

**Amendment to the Open-ended Investment Companies (Tax) Regulations 1997**

2. For regulation 28 of the Open-ended Investment Companies (Tax) Regulations 1997(b) substitute the following—

**“Modifications of the Income Tax (Authorised Unit Trusts) (Interest Distributions) Regulations 2003**

28.—(1) The Income Tax (Authorised Unit Trusts) (Interest Distributions) Regulations 2003(c) (“the principal Regulations”) shall have effect in relation to open-ended investment companies as they have effect in relation to authorised unit trusts with the modifications specified in paragraphs (3) to (9).

(2) In paragraphs (3) to (9) “regulation”, except where the context otherwise requires, means a regulation of the principal Regulations.

(3) Modify regulation 2 as follows—

(a) renumber regulation 2 as paragraph (1) of that regulation;

(b) in regulation 2(1)—

(i) for the definitions of “authorised unit trust” and “unit holder” substitute the following definition—

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(a) 1995 c. 4.  
(b) S.I. 1997/1154.  
(c) S.I. 2003/1830.

““authorised corporate director”, in relation to an open-ended investment company, has the meaning given by subsection (10) of section 468 of the Taxes Act without regard to the modification made by subsection (16) of that section, as those subsections are added by regulation 10(4) of the Open-ended Investment Companies (Tax) Regulations 1997;”;

(ii) after the definition of “interest distribution” insert the following definitions—

““open-ended investment company”—

(a) except as regards the reference to that expression in regulation 10(2)(a), has the meaning given by subsection (10) of section 468 of the Taxes Act without regard to the modifications made by subsections (11) to (18) of that section, as those subsections are added by regulation 10(4) of the Open-ended Investment Companies (Tax) Regulations 1997;

(b) as regards that reference, has the meaning given by subsection (10) of section 468 of the Taxes Act, read with subsections (11) to (18) of that section, as those subsections are added by regulation 10(4) of the Open-ended Investment Companies (Tax) Regulations 1997;

“owner of shares”, in relation to an open-ended investment company, has the meaning given by subsection (10) of section 468 of the Taxes Act, read with subsection (15) of that section, as those subsection are added by regulation 10(4) of the Open-ended Investment Companies (Tax) Regulations 1997;”;

(iii) after the definition of “the Tax Acts” add the following definition—

““umbrella company” has the meaning given by subsection (18) of section 468 of the Taxes Act, as that subsection is added by regulation 10(4) of the Open-ended Investment Companies (Tax) Regulations 1997, and references to a part of an umbrella company shall be construed in accordance with that subsection.”;

(iv) Omit the definition of “unit trust scheme”;

(c) after paragraph (1) add—

“(2) For the purposes of the definitions of “open-ended investment company” and “owner of shares” in paragraph (1), references in subsections (11) to (16) of section 468 of the Taxes Act (as added by regulation 10(4) of the Open-ended Investment Companies (Tax) Regulations 1997) to “the Tax Acts” shall be construed as if they included references to these Regulations.”.

(4) In regulation 5 in the substituted section 468O(1) for the words “a unit holder” substitute the words “an owner of shares”.

(5) In regulation 6(b) in the substituted section 468P(2)(c) for the words “the trustees of the authorised unit trust” substitute the words “the open-ended investment company”.

(6) In regulation 7(2) for the words “a unit holder” substitute the words “an owner of shares”.

(7) In regulation 8—

(a) for the words “the trustees of an authorised unit trust” substitute the words “an open-ended investment company or its authorised corporate director”;

(b) for the words “that authorised unit trust” substitute the words “that company or, where the open-ended investment company concerned is an umbrella company, the part of that company in question”.

(8) In regulation 9 for the words “The trustees of an authorised unit trust” substitute the words “An open-ended investment company or its authorised corporate director”.

(9) In regulation 10(2)—

- (a) in sub-paragraph (a) for the words “the trustees of the authorised unit trust” substitute the words “the open-ended investment company”;
- (b) in sub-paragraph (b) for the words “a unit holder” substitute the words “an owner of shares”.

*Nick Ainger*  
*Derek Twigg*

17th July 2003

Two of the Lords Commissioners of Her Majesty’s Treasury

## EXPLANATORY NOTE

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

These Regulations amend the Open-ended Investment Companies (Tax) Regulations 1997 (S.I. 1997/1154) in consequence of the Income Tax (Authorised Unit Trusts) (Interest Distributions) Regulations 2003 (S.I. 2003/1830) replacing the Income Tax (Authorised Unit Trusts) (Interest Distributions) Regulations 1994 (S.I. 1994/2318). These Regulations substitute a new regulation 28 which provides that the provisions of the Income Tax (Authorised Unit Trusts) (Interest Distributions) Regulations 2003 have effect in relation to open-ended investment companies as they have effect in relation to authorised unit trusts with the modifications specified.

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