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STATUTORY INSTRUMENTS

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**2006 No. 964**

**The Authorised Investment Funds (Tax) Regulations 2006**

[<sup>F1</sup>PART 4A

PROPERTY AIFS

CHAPTER 6

COMPLIANCE IN RELATION TO THE PROPERTY AIF REGIME

*[<sup>F1</sup>Accounting for tax deducted from property income distributions*

**Textual Amendments**

**F1** Pt. 4A inserted (6.4.2008) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2008 \(S.I. 2008/705\)](#), regs. 1, 5

**Payments in an accounting period**

- 69Z29.**—(1) This regulation applies if—
- (a) an open-ended investment company to which this Part applies makes a distribution in an accounting period of the company, and
  - (b) the distribution includes sums attributed to property income distributions or to PAIF distributions (interest) (or to both) (referred to in this Chapter as a “relevant distribution”).
- (2) The company must deliver a return to an officer of Revenue and Customs for each return period—
- (a) which falls within the accounting period, and
  - (b) in which the company makes a relevant distribution.
- (3) The return periods are—
- (a) the quarters ending on 31st March, 30th June, 30th September and 31st December (the “quarter days”); and
  - (b) any shorter period which—
    - (i) starts on the first day of an accounting period and ends with the first or only quarter day in that accounting period;
    - (ii) begins immediately after the last or only quarter day in that accounting period and ends on the last day of that accounting period; or
    - (iii) is an accounting period which starts and ends within a quarter.
- (4) The company must deliver the return during a period of 14 days beginning with the day immediately following the end of the return period.

(5) The return must show the amount of—

- (a) any relevant distributions made by the company in the return period, and
- (b) the tax (if any) payable by the company in respect of those payments.

(6) The company must deliver, with the return for the return period which ends on the last day of an accounting period, a reconciliation statement showing, in relation to any distribution made during the accounting period, the amounts (if any) which are attributable to each of paragraphs (a) to (c) of regulation 69Z14 (attribution of distributions).

### **Collection and payment of tax**

**69Z30.**—(1) Tax in respect of a relevant distribution is due at the time by which the return on which the distribution must be included is required to be delivered.

(2) The tax due is equal to the sum which the company is required to deduct from the relevant distribution under—

- (a) regulation 69Z22(1) (deduction of tax from property income distributions), and
- (b) regulation 69Z23(1) (deduction of tax from PAIF distributions (interest)).

(3) The tax is due from the company making the relevant distribution.

(4) The tax is payable without an officer of Revenue and Customs making any assessment.

### **Assessments where relevant distribution included in return**

**69Z31.**—(1) This regulation applies if any tax in respect of a relevant distribution which is included in a return under this Chapter has not been paid at or before the time mentioned in regulation 69Z30.

(2) An officer of Revenue and Customs may make an assessment on the person who made the relevant distribution.

(3) Tax may be assessed under this regulation whether or not it has been paid when the assessment is made.

### **Assessments in other cases**

**69Z32.**—(1) This regulation applies if an officer of Revenue and Customs thinks—

- (a) that there is a relevant distribution which should have been included in a return under this Chapter and which has not been so included, or
- (b) that a return under this Chapter is otherwise incorrect.

(2) An officer of Revenue and Customs may make an assessment on the person who made the relevant distribution to the best of the officer's judgement.

### **Application of Income Tax Acts provisions about time limits for assessments**

**69Z33.**—(1) The provisions of the Income Tax Acts about the time within which an assessment may be made apply to assessments under this Chapter, so far as those provisions refer or relate to—

- (a) the tax year for which an assessment is made, or
- (b) the year to which an assessment relates.

(2) Paragraph (1) applies despite the fact that an assessment under this Chapter may relate to a return period which is not a tax year.

(3) The provisions of section 36 of TMA 1970 (fraudulent or negligent conduct) about the circumstances in which an assessment may be made out of time apply accordingly on the basis that any such assessment relates to the tax year in which the return period ends.

(4) Section 87 of TMA 1970 (interest on overdue income tax deducted at source) applies for the purposes of a payment due under regulation 69Z30 or an assessment made under regulation 69Z31 or 69Z32.

## [<sup>F2</sup>Certificates of deduction of tax

**69Z34.**—(1) A company making a relevant distribution which is subject to deduction of tax by virtue of regulation 69Z22(1) must furnish the recipient with a statement that complies with condition A or B.

This is subject to paragraph (5).

(2) The duty imposed by paragraph (1) is enforceable at the suit or instance of the recipient.

(3) Condition A is that the statement is in writing showing—

- (a) the gross amount of the payment,
- (b) the amount of tax deducted, and
- (c) the actual amount paid.

(4) Condition B is that the statement is in writing—

- (a) showing—
  - (i) the gross amount of the distribution made to the participant,
  - (ii) the number and class of units held by the participant in respect of which the distribution is made,
  - (iii) the net amount of the distribution per unit,
  - (iv) whether any tax has been deducted from the distribution, and
  - (v) the date the distribution was made;
- (b) providing details to allow the participant to access an electronic means of calculating the amounts that would be shown in a statement provided in accordance with condition A; and
- (c) providing the participant with an alternative method of obtaining the details of those amounts without recourse to electronic means.

(5) If an appropriate statement for the purposes of section 234A of ICTA is provided by the company in accordance with regulation 70(4) and (5)—

- (a) condition A does not apply, and
- (b) the statement required by condition B must be included in the appropriate statement.

(6) Where paragraph (5) applies, “distribution” in regulation 70(4) and (5) shall be taken to include the property income distribution and the statement must show the percentage of the gross distribution attributable to the property income distribution.]

### Textual Amendments

- F2** [Reg. 69Z34](#) substituted (1.9.2009) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2009 \(S.I. 2009/2036\)](#), regs. 1, **23**

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**Changes to legislation:** There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, Cross Heading: Accounting for tax deducted from property income distributions. (See end of Document for details)

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### **Company's duty to deliver amended return**

**69Z35.**—(1) This regulation applies if an open-ended investment company to which this Part applies makes a distribution, and then becomes aware that—

- (a) anything which should have been included in a return delivered by the company under these Regulations has not been so included,
- (b) anything which should not have been included in a return delivered by the company under these Regulations has been so included, or
- (c) any other error has occurred in a return delivered by the company under these Regulations.

(2) The company must deliver an amended return correcting the error to an officer of Revenue and Customs without delay.

(3) If the company delivers an amended return such assessments, adjustments, setoffs or payments or repayments of tax as are necessary for achieving the objective mentioned in paragraph (4) must be made.

(4) The objective is that the resulting liabilities to income and corporation tax (including interest on unpaid or overpaid tax) of the company or any other person are the same as they would have been if a correct return had been delivered.]

**Changes to legislation:**

There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, Cross Heading: Accounting for tax deducted from property income distributions.