
STATUTORY INSTRUMENTS

2006 No. 964

The Authorised Investment Funds (Tax) Regulations 2006

[^{F1}PART 4A

PROPERTY AIFS

[^{F1}CHAPTER 7

LEAVING THE PROPERTY AIF REGIME

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

Termination by notice: company

69Z36.—(1) This regulation applies if an open-ended investment company to which this Part applies gives a notice under this regulation specifying a date at the end of which this Part is to cease to apply to the company.

(2) This Part shall cease to apply to the company at the end of that date.

(3) A notice under paragraph (1) must be given in writing to the Commissioners.

(4) The date specified under paragraph (1) must be after the date on which the Commissioners receive the notice.

Termination by notice: Commissioners

69Z37.—(1) This regulation applies if the Commissioners give a notice in writing under this paragraph to an open-ended investment company to which this Part applies (a “termination notice”).

(2) This Part shall cease to apply to the company.

(3) The Commissioners may give a termination notice only if—

(a) a provision contained in this Part provides that the Commissioners may give a termination notice,

(b) there is an intentional or negligent breach of a condition in Chapter 2, or

(c) there is an attempt to gain a tax advantage to which regulation 69Z10 applies.

(4) A termination notice must state the reason for it.

(5) If a termination notice is given to an open-ended investment company, this Part shall be taken to have ceased to apply to the open-ended investment company at the end of the accounting period before the accounting period during which the event occurs (or the last event occurs) which caused the Commissioners to give the notice.

Appeal against termination notice

69Z38.—(1) An open-ended investment company to which a termination notice is given may appeal ^{F2}....

(2) The notice of appeal must be given to HM Revenue and Customs within a period of 28 days beginning with the day on which the termination notice is given.

(3) On an appeal [^{F3}that is notified to the tribunal, the tribunal] shall determine whether it was just and reasonable for HM Revenue and Customs to give the termination notice.

(4) If [^{F4}the tribunal decides] that it was, [^{F5}the tribunal must] confirm the notice.

(5) If [^{F4}the tribunal decides] that it was not, [^{F5}the tribunal must] set aside the notice.

Textual Amendments

- F2** Words in reg. 69Z38(1) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 2 para. 158(2)**
- F3** Words in reg. 69Z38(3) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 2 para. 158(3)**
- F4** Words in reg. 69Z38(4)(5) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 2 para. 158(4)(a)**
- F5** Words in reg. 69Z38(4)(5) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 2 para. 158(4)(b)**

Company ceasing to be authorised etc.

69Z39.—(1) This regulation applies if an open-ended investment company to which this Part applies—

- (a) ceases to be authorised by the Financial Services Authority,
- (b) ceases to be an open-ended investment company, or
- (c) ceases to carry on property investment business.

(2) This Part shall cease to apply to the company at the end of the date on which the company ceases to be authorised by the Financial Services Authority, to be an open-ended investment company, or to carry on property investment business (as the case may be).

Mergers

69Z40.—(1) This regulation applies if an open-ended investment company to which this Part applies—

- (a) is party to a merger or takeover, and
- (b) as a result, ceases to meet one or more of the conditions for this Part to apply.

(2) On the occurrence of the merger or takeover—

- (a) an accounting period of the company shall end at the end of the date of the merger or takeover, and
- (b) this Part shall cease to apply to the company at the end of that date.

Effects of cessation

69Z41.—(1) The business of F (tax-exempt) shall be treated for the purposes of corporation tax as ceasing immediately before cessation.

(2) Assets which immediately before cessation are involved in the business of F (tax-exempt) shall be treated for the purposes of corporation tax as being sold by F (tax-exempt) immediately before cessation and reacquired immediately after cessation by F (post-cessation).

(3) For the purposes of corporation tax, on cessation one accounting period of F (residual) shall end and an accounting period of F (post-cessation) shall begin.

(4) The sale and reacquisition deemed under paragraph (2) shall not have effect for the purposes of tax in respect of chargeable gains.

(5) For the purposes of CAA 2001, the sale and re-acquisition deemed under paragraph (2)—

(a) shall not give rise to allowances or charges, and

(b) shall not make it possible to make an election under section 198 or 199 of that Act (apportionment).

(6) For the purposes of CAA 2001, anything done by or to F (tax-exempt) before cessation in relation to an asset which is deemed under paragraph (2) to be sold and re-acquired shall be treated after cessation as having been done by or to F (post-cessation).]

Changes to legislation:

There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, CHAPTER 7.