
STATUTORY INSTRUMENTS

2006 No. 964

The Authorised Investment Funds (Tax) Regulations 2006

[^{F1}PART 4B

TAX ELECTED FUNDS

[^{F1}CHAPTER 3

THE TAX TREATMENT OF TAX ELECTED FUNDS

Textual Amendments

F1 Pt. 4B inserted (1.9.2009) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2009 \(S.I. 2009/2036\)](#), regs. 1, 24

Components of income

69Z56.—(1) For the purposes of corporation tax, the income arising to a Tax Elected Fund consists of—

- (a) dividend income;
- (b) property investment income, being—
 - (i) distributions of profits of C (tax-exempt) in relation to shares held in a UK-REIT, and
 - (ii) property income distributions in relation to shares held in a Property AIF;
- (c) property business income (arising on a breach of the property condition), being—
 - (i) profits of a UK property business that are not within sub-paragraph (b), and
 - (ii) income from an overseas property business; and
- (d) other income.

(2) In this regulation, “C (tax-exempt)” shall be construed in accordance with Part 4 of FA 2006.

Treatment of property investment income

69Z57.—(1) Section 7(2) of ICTA (treatment of certain payments and repayments of income tax: set off of tax) shall not apply to payments of property investment income.

(2) Property investment income arising to a Tax Elected Fund shall be treated for the purposes of the Tax Acts as a distribution that is exempt for the purposes of Part 9A of CTA 2009 (company distributions) but shall not be treated as franked investment income.

Treatment of distributions

69Z58. Section 931R of CTA 2009 (election that distribution should not be exempt) shall not apply in relation to distributions received by a Tax Elected Fund.]

Changes to legislation:

There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, CHAPTER 3.