

STATUTORY INSTRUMENTS

2006 No. 964

The Authorised Investment Funds (Tax) Regulations 2006

PART 2

THE TAX TREATMENT OF AUTHORISED INVESTMENT FUNDS

F1... Interest distributions and deficits

Treatment of interest distributions for purposes of loan relationships

13.—(1) Chapter 2 of Part 4 of FA 1996 (loan relationships) has effect in relation to an authorised investment fund and to an interest distribution paid by that fund as it would have effect if the interest distribution were interest payable on a loan to the authorised investment fund and were, accordingly, interest under a loan relationship to which the authorised investment fund were a party.

[^{F1}(1A) But paragraph (1) only applies to the extent that the interest distribution is derived from income [^{F2}other than income chargeable to corporation tax in accordance with Part 4 of CTA 2009 and] in respect of which the legal owner is charged to corporation tax.]

(2) For the purposes of these Regulations, an interest distribution is treated as paid if it is credited to the capital part of the scheme property of an authorised investment fund on behalf of a participant in respect of the participant's accumulation units.

(3) This regulation is subject to regulation 14 [^{F3}and regulation 14B (tax treatment of qualified investor schemes)].

[^{F4}(4) In this regulation an “interest distribution” includes a TEF distribution (non-dividend) (see regulation 69Z61(3)).]

Textual Amendments

- F1** Reg. 13(1A) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2012 \(S.I. 2012/519\)](#), regs. 1(1), **3**
- F2** Words in reg. 13(1A) inserted (with effect in accordance with reg. 1(2)(3) of the amending S.I.) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2015 \(S.I. 2015/485\)](#), regs. 1(1), **2(4)**
- F3** Words in reg. 13(3) inserted (1.1.2009) by [The Authorised Investment Funds \(Tax\) \(Amendment\) No. 3\) Regulations 2008 \(S.I. 2008/3159\)](#), regs. 1(1), **8**
- F4** Reg. 13(4) inserted (1.9.2009) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2009 \(S.I. 2009/2036\)](#), regs. 1, **7**

Changes to legislation:

There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, Section 13.