
STATUTORY INSTRUMENTS

2006 No. 964

The Authorised Investment Funds (Tax) Regulations 2006

[^{F1}PART 4A

PROPERTY AIFS

CHAPTER 2

ENTRY INTO AND MEMBERSHIP OF THE PROPERTY AIF REGIME

The corporate ownership condition

[^{F1}The corporate ownership condition: further provisions

69L.—(1) The open-ended investment company meets conditions B and C of the corporate ownership condition if it provides in its instrument of incorporation and its prospectus that a body corporate is prohibited from acquiring shares in the open-ended investment company.

(2) The open-ended investment company meets conditions B and C of the corporate ownership condition if—

- (a) it provides in its instrument of incorporation and its prospectus that a body corporate is prohibited from acquiring shares [^{F2}as a participant] in the open-ended investment company,
 - (b) a body corporate (“BC”) acquires shares in the open-ended investment company,
 - (c) BC does not hold those shares as beneficial owner, and
 - (d) BC gives a certificate in accordance with paragraph (3).
- (3) The certificate is a certificate—
- (a) that BC does not hold any of the shares in the open-ended investment company as beneficial owner, and
 - (b) that none of the beneficial owners of BC’s shares in the open-ended investment company is a body corporate.
- (4) Paragraph (5) applies if the trustees of a unit trust scheme—
- (a) hold shares in the open-ended investment company, and
 - (b) are chargeable, in the United Kingdom, either to income tax or to corporation tax in their capacity as trustees of that unit trust scheme.

(5) For the purposes of regulation 69K [^{F3}the unit trust scheme is treated] as the beneficial owners of the shares; and a person holding units in the unit trust shall not be treated as beneficially entitled (directly or indirectly) to 10% or more of the net asset value of the open-ended investment company’s fund by virtue of holding the units.

(6) In this Part “body corporate” means—

- (a) a body corporate incorporated under the laws of any part of the United Kingdom or any other territory, or
- (b) an entity which is treated as a body corporate for tax purposes—
 - (i) in accordance with the law of a territory outside the United Kingdom with which relevant arrangements have been entered into, or
 - (ii) in accordance with an international agreement containing relevant arrangements.
- (7) In paragraph (6) “relevant arrangements” means arrangements which—
 - (a) have been entered into with a view to affording relief from double taxation, and
 - (b) have effect by virtue of an Order in Council under section 788 of ICTA.]

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**
- F2** Words in reg. 69L(2)(a) inserted (1.1.2009) by [The Authorised Investment Funds \(Tax\) \(Amendment No. 3\) Regulations 2008 \(S.I. 2008/3159\)](#), regs. 1(1), **22(2)**
- F3** Words in reg. 69L(5) substituted (1.1.2009) by [The Authorised Investment Funds \(Tax\) \(Amendment No. 3\) Regulations 2008 \(S.I. 2008/3159\)](#), regs. 1(1), **22(3)**

Changes to legislation:

There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, Section 69L.