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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 3

THE TAX TREATMENT OF PROPERTY AIFS

*Breaches of conditions*

[<sup>F1</sup>**Breach of the loan creditor condition**

**69Z6.**—(1) This regulation applies if an open-ended investment company to which this Part applies is in breach of the loan creditor condition.

(2) If the company is inadvertently in breach of the loan creditor condition but rectifies the breach within a period of 28 days beginning with the day on which the company first becomes aware of the breach, this Part shall continue to apply to the company despite the breach (but see paragraphs (5) and (6) and regulation 69Z8).

(3) If the company is inadvertently in breach of the loan creditor condition but does not rectify the breach within a period of 28 days beginning with the day on which the company first becomes aware of the breach, the Commissioners may give a termination notice to the company.

(4) If the company is intentionally or negligently in breach of the loan creditor condition, the Commissioners may give a termination notice to the company.

(5) If the company is in breach of the same condition specified in paragraphs (2) to (5) of regulation 69M in two different accounting periods in a period of ten years beginning with the first day of the accounting period in which the company becomes aware of the first of those breaches, the Commissioners may give a termination notice to the company.

(6) If the company is in breach of the conditions specified in paragraphs (2) to (5) of regulation 69M in three different accounting periods in a period of ten years beginning with the first day of the accounting period in which the company becomes aware of the first of those breaches, the Commissioners may give a termination notice to the company.]

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**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

**Changes to legislation:**

There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, Section 69Z6.