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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 balance of business conditions**

- 69Z7.**—(1) Paragraph (2) applies if a newly qualified company—
- (a) is in breach of condition A set out in regulation 69N(2)(a) in its first accounting period, or
  - (b) is in breach of condition B set out in regulation 69N(3)(a) at the end of its first accounting period.
- (2) This Part shall cease to apply to the company at the end of its first accounting period and regulation 69Z41 shall apply.
- (3) Paragraphs (4) to (7) apply if an open-ended-investment company to which this Part applies—
- (a) is in breach of condition A set out in regulation 69N(2)(b) in an accounting period, or
  - (b) is in breach of condition B set out in regulation 69N(3)(b) at the end of an accounting period.
- (4) If the conditions specified in paragraph (6) are met, this Part shall continue to apply to the company despite the breach (but see paragraph (7) and regulation 69Z8).
- (5) If the conditions specified in paragraph (6) are not met, the Commissioners may give a termination notice to the company.
- (6) The conditions are that—
- (a) property investment business is at least 50% of the company's net income in the accounting period,
  - (b) the value of the assets involved in property investment business is at least 50% of the total value of assets held by the company at the end of the accounting period.
- (7) If this regulation applies to a company 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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**Changes to legislation:** There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, Section 69Z7. (See end of Document for details)

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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 69Z7.