

**EXPLANATORY MEMORANDUM TO  
THE AUTHORISED INVESTMENT FUNDS (TAX) (AMENDMENT No.2)  
REGULATIONS 2009**

**2009 No. 2199**

1. This explanatory memorandum has been prepared by the Commissioners for Her Majesty's Revenue and Customs, on behalf of HM Treasury, and is laid before the House of Commons by Command of Her Majesty.

This memorandum contains information for the Select Committee on Statutory Instruments.

2. **Purpose of the instrument**

2.1 These Regulations correct an error in the Authorised Investment Funds (Tax) (Amendment) Regulations 2009(SI 2009/2036) ("the amending Regulations") by omitting regulation 30. SI 2009/2036 itself amended The Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964) ("the principal Regulations").

3. **Matters of special interest to the Select Committee on Statutory Instruments.**

3.1 In order to correct the error in the amending Regulations as soon as possible and avoid an anomalous provision coming into force these Regulations will breach the 21 day rule and come into force on 31 August 2009 which is the day before the amending Regulations are due to come into force.

4. **Legislative Context**

4.1 Sections 16 to 19 of the Finance (No.2) Act 2005 provide the framework for a regime under which the majority of provisions relating to the taxation of authorised investment funds are contained in secondary legislation: that is in the principal Regulations, rather than in primary legislation.

4.2 As a result of commercial development, the principal Regulations have required amendment from time to time.

5. **Territorial Extent and Application**

5.1 This instrument applies to all of the United Kingdom.

6. **European Convention on Human Rights**

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## **7. Policy background**

- *What is being done and why*

7.1 Regulation 30 of the amending Regulations purports to insert material into regulation 95 of the principal Regulations. However regulation 95 of the principal Regulations has been revoked by Part 3 Schedule 1 to the Corporation Tax Act 2009. The amendment is therefore erroneous and of no effect, but no one has been prejudiced by the error.

7.2 In order to correct the error as soon as possible and avoid an anomalous provision coming into force, this instrument will come into force on 31 August 2009, the day before the amending Regulations.

## **8. Consultation outcome**

8.1 Drafts of the amending Regulations were the subject of formal public consultation.

## **9. Guidance**

9.1 This statutory instrument will not alter the effect of the amending Regulations on which guidance will be published in HMRC's Corporate Tax Manual.

## **10. Impact**

10.1 An Impact Assessment has not been produced in relation to this statutory instrument as it has no impact on business, charities or voluntary bodies.

## **11. Regulating small business**

11.1 The legislation does not apply to small business.

## **12. Monitoring & review**

12.1 The Government intends to monitor the effects of the amending Regulations on industry.

## **13. Contact**

Lee Harley at HM Revenue & Customs Tel: 020 7147 2597 or email: [lee.harley@hmrc.gsi.gov.uk](mailto:lee.harley@hmrc.gsi.gov.uk) can answer any queries regarding the instrument.