
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the investment limits in respect of community investment tax relief (CITR), which is tax relief for investments made by individuals and companies in bodies which are accredited as community development finance institutions (CDFIs).

Regulations 2 and 3 increase the limits of investments in respect of which tax relief certificates may be issued for the purposes of CITR under section 348 of the Income Tax Act 2007 and section 229 of the Corporation Tax Act 2010. The amendments apply to any accreditation period which ends on or after the date that these Regulations come into force; authority for retrospective effect is provided by section 348(7) of the Income Tax Act 2007 and section 229(7) of the Corporation Tax Act 2010.

Regulation 4 amends Schedule 1 to the Community Investment Tax Relief (Accreditation of Community Development Finance Institutions) Regulations 2003 to increase the limits of “relevant investments” for the purposes of those Regulations; it is a term of accreditation that CDFIs must invest specified proportions of their funds in relevant investments. Regulation 4 also amends an outdated cross-reference in paragraph 3 of Schedule 1 to those Regulations.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.