
STATUTORY INSTRUMENTS

2021 No. 1270

INCOME TAX

CORPORATION TAX

CAPITAL GAINS TAX

The Authorised Investment Funds
(Tax) (Amendment) Regulations 2021

<i>Made</i>	- - - -	<i>15th November 2021</i>
<i>Laid before the House of Commons</i>	- - - -	<i>16th November 2021</i>
<i>Coming into force</i>	- -	<i>9th December 2021</i>

The Treasury, in exercise of the powers conferred by section 152 of the Finance Act 1995⁽¹⁾ and sections 17(3) and 18 of the Finance (No. 2) Act 2005⁽²⁾, make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Authorised Investment Funds (Tax) (Amendment) Regulations 2021 and come into force on 9th December 2021.

Amendment of the Authorised Investment Funds (Tax) Regulations 2006

2. The Authorised Investment Funds (Tax) Regulations 2006⁽³⁾ are amended as follows.

Amendments introducing long-term asset funds

3.—(1) In regulation 9A (the genuine diversity of ownership condition)⁽⁴⁾, after paragraph (8) insert—

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- (1) 1995 c. 4; section 152 was amended by paragraph 13 of Schedule 19 to the Finance Act 1999 (c. 16), paragraph 288 of Schedule 1 to the Corporation Tax Act 2010 (2010 c. 4) and S.I. 2001/3629.
- (2) 2005 c. 22; section 18 was amended by paragraph 605 of Schedule 1 to the Income Tax Act 2007 (c. 3), paragraph 669 of Schedule 1 to the Corporation Tax Act 2009 (c. 4), paragraph 22 of Schedule 6 to the Finance Act 2010 (c. 13), paragraph 124 of Schedule 16 to the Finance Act 2012 (c. 14), and paragraph 108 of Schedule 18 to the Financial Services Act 2021 (c. 21) and paragraph 136 of Schedule 46 to the Finance Act 2013 (c. 29).
- (3) S.I. 2006/964 (“the principal Regulations”), relevantly amended by S.I. 2008/705, 2008/3159, 2009/2036, 2010/294, 2011/244, and 2011/2192.
- (4) Regulation 9A was inserted by S.I. 2009/2036 and amended by S.I. 2010/294, 2011/244 and 2011/2192.

“(8A) For the purposes of these Regulations, a long-term asset fund is treated as meeting the genuine diversity of ownership condition if—

- (a) the fund’s prospectus was published on or before 9th December 2021, or
- (b) at least 70% of the shares or units in the fund are held by one or more relevant investors or by the manager of the fund in the capacity as manager.

(8B) In paragraph (8A), “relevant investor” means any of the persons specified in categories A to E.

(8C) Category A is the trustee or manager of—

- (a) an authorised unit trust scheme which meets the genuine diversity of ownership condition, or
- (b) a unit trust scheme which—
 - (i) is authorised under the law of a territory outside the United Kingdom in a way which makes it, under that law, the equivalent of an authorised unit trust scheme, and
 - (ii) meets conditions A to C or complies with paragraph (8).

(8D) Category B is a company—

- (a) which is an open-ended investment company which meets the genuine diversity of ownership condition, or
- (b) which—
 - (i) is incorporated under the law of a territory outside the United Kingdom and is, under that law, the equivalent of an open-ended investment company, and
 - (ii) meets conditions A to C or complies with paragraph (8).

(8E) Category C is a person acting in the course of a long-term insurance business (that is, the activity of effecting or carrying out contracts of long-term insurance within the meaning of the Financial Services and Markets (Regulated Activities) Order 2001⁽⁵⁾) where—

- (a) that person—
 - (i) is authorised under FISMA 2000⁽⁶⁾ to carry on such business, or
 - (ii) has an equivalent authorisation under the law of a territory outside the United Kingdom to carry on such business, and
- (b) if that person is a company, it is not a close company.

(8F) Category D is a person who cannot be liable for corporation tax or income tax (as relevant) on the grounds of sovereign immunity.

(8G) Category E is the trustee, manager or administrator of a pension scheme (within the meaning given by section 150(1) of the Finance Act 2004⁽⁷⁾) other than an investment regulated pension scheme (within the meaning given by paragraphs 1 and 2 of Schedule 29A to that Act).

(8H) For the purposes of paragraph (8E)(b) (category C), in applying the rules in Chapter 2 of Part 10 of CTA 2010 to determine whether a company is “a close company”, section 442(a) (non-UK resident companies) is to be treated as omitted.”.

(5) [S.I. 2001/544](#), relevantly amended by [S.I. 2005/2114](#) and [2015/575](#). “Contracts of long-term insurance” are defined in regulation 3(1) of, and Part 2 of Schedule 1 to, [S.I. 2001/544](#).

(6) [2000 c. 8](#). “FISMA 2000” is defined in Part 1 of the Schedule to the principal Regulations as the Financial Services and Markets Act 2000.

(7) [2004 c. 12](#), section 150 was amended by section 53(1) of the Finance Act 2013 and paragraph 1(2) of Schedule 3 to the Finance Act [2018 \(c. 3\)](#).