
STATUTORY INSTRUMENTS

2006 No. 1960

The Pensions Schemes (Application of UK Provisions to Relevant Non-UK Schemes)(Amendment) Regulations 2006

Amendment of the Pensions Schemes (Application of UK Provisions to Relevant Non-UK Schemes) Regulations 2006

9. After regulation 4 insert—

“Taxable property provisions to apply to a transfer member of a relevant non-UK scheme (to payments referable to his taxable asset transfer fund)

4A. The—

- (a) taxable property provisions, and
- (b) regulations made under paragraph 37 of Schedule 29A or paragraph 7A of Schedule 34,

apply to a transfer member of a relevant non-UK scheme, in relation to payments treated as made by those provisions or regulations which are referable to the member’s taxable asset transfer fund under the scheme, but subject to the modifications in regulations 4B to 4D.

Unauthorised payments charge to apply (in lieu of scheme chargeable payment)

4B.—(1) The scheme chargeable payment provisions in sections 185A to 185I(1) shall not apply to a relevant non-UK scheme.

(2) But, during such time as an appropriated asset forms the whole or part of a transfer member’s TATF—

- (a) the scheme shall be treated as making unauthorised payments to that member equal in amount to the scheme chargeable payments (in respect of income and gains) which would have been computed in accordance with those sections, and
- (b) the transfer member shall be liable to pay the unauthorised payments charge in respect of such payments.

(3) Where the scheme’s interest in taxable property is not wholly referable to the transfer member’s TATF, the amount of the unauthorised payment shall be proportionately reduced.

Modification of paragraph 15 of Schedule 29A

4C. Paragraph 15 of Schedule 29A applies to the transfer member of a relevant non-UK scheme as if “insurance company” included any person—

- (a) resident in a country or territory outside the European Economic Area,

- (b) whose business consists of, or includes, the effecting or carrying out of contracts of long-term insurance (within the meaning in Part 2 of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001⁽²⁾), and
- (c) who is regulated in the conduct of that business by—
 - (i) the government of that country or territory, or
 - (ii) a body established under the law of that country or territory for the purpose of regulating such business.

Modifications of paragraphs 29 and 31 of Schedule 29A

4D.—(1) This regulation applies where—

- (a) a relevant non-UK scheme acquires an interest in taxable property;
- (b) the interest is acquired in the circumstances mentioned in paragraph 32(3), (5) (excluding paragraphs (a) and (b)) or (6) (excluding paragraphs (a) and (b)) of Schedule 29A⁽³⁾; and
- (c) the whole or part of the consideration for the acquisition is rent.

(2) The amount of the consideration (or the part that is rent) shall not be the relevant rental value of the property (as provided by paragraph 34(2) of Schedule 29A).

(3) Each payment of rent (or the aggregate of such payments during a year, if there are more than one) shall be treated, for the purposes of the taxable property provisions, as if the pension scheme or other person who acquired the interest were being granted a lease for the period for which the rent is paid, in consideration of the rent (or aggregate) so paid.”

⁽²⁾ S.I.2001/544.

⁽³⁾ Schedule 29A was inserted by paragraph 13 of Schedule 21 to the Finance Act 2006 (c. 25).