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## EXPLANATORY NOTE

*(This note is not part of the Order)*

In the Finance (No. 2) Act 2005 (c. 22), Chapter 3 of Part 2 is concerned with authorised investment funds and related matters. In that Chapter, section 17(1) provides that specified enactments in primary legislation relating to authorised investment funds shall cease to have effect; and sections 17(3) and 18 of that Act envisage the making of regulations dealing with the tax treatment of authorised investment funds.

Section 19(1) of the 2005 Act provides that section 17(1) shall come into force on such day as the Treasury may appoint by order; and section 19(2) contains provisions supplementing section 19(1). This Order brings section 17(1) into force, so that the provisions specified in that provision cease to have effect, for income tax purposes, for 2006-07 and subsequent years of assessment, and, for corporation tax purposes, for accounting periods beginning on or after 1st April 2006.

For later periods, regulations made under sections 17(3) and 18 of the 2005 Act will have effect. Subject to some amendments, the effect of the provisions specified in section 17(1) will be restated in those regulations: see the Authorised Investment Funds (Tax) Regulations 2006 (S.I.2006/964).

This Order does not impose any new costs on business.