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STATUTORY INSTRUMENTS

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**2013 No. 2819**

**The Unauthorised Unit Trusts (Tax) Regulations 2013**

**PART 4**

Transitional provisions

CHAPTER 2

Transitional provisions for non-exempt unauthorised unit trusts

**Unauthorised unit trusts coming within charge to corporation tax: final deemed payments and accrued income profits**

**31.**—(1) In the case of an unauthorised unit trust which comes within the charge to corporation tax on 6 April 2014 or a later date, any amount of income which would (but for this regulation) have been treated under—

- (a) Chapter 10 of Part 4 of ITTOIA 2005, or
- (b) Chapter 5 of Part 10 of CTA 2009,

as received by its unit holders on or after 6 April 2014 or that later date is treated as received on 5 April 2014 or, as the case may be, the day before that later date (and, accordingly, the trustees are treated as making a deemed payment under section 941 of ITA 2007 in respect of that income on the same day).

(2) Any income of the trust which would (but for this regulation) be included in the amount of accrued income profits treated under Part 12 of ITA 2007 as made on or after 6 April 2014 or a later date, is included in the amount of accrued income profits treated under that Part as made on 5 April 2014 or, as the case may be, the day before that later date.

**Part 5 not to apply to mixed unauthorised unit trusts**

**32.**—(1) An unauthorised unit trust is not a non-exempt unauthorised unit trust, and Part 5 does not apply in relation to the trust, if at all times in the period beginning with 24 May 2012 and ending with 5 April 2014 it had at least one unit holder which was, and at least one unit holder which was not, an eligible investor.

(2) But paragraph (1) ceases to apply in relation to the trust if subsequently it no longer has any unit holders which are eligible investors.

[<sup>F1</sup>(3) Where paragraph (1) applies, section 504 of ITA 2007 shall be read as if it included after subsection (4)—

“(4A) Subsections (1) to (4) of section 272A of ITTOIA 2005 (restricting deductions for finance costs related to residential property) do not apply in relation to calculating the profits of a UK property business, or overseas property business, for the purposes of charging the trustees to income tax on those profits.”]

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**Changes to legislation:** *There are currently no known outstanding effects for the The Unauthorised Unit Trusts (Tax) Regulations 2013, CHAPTER 2. (See end of Document for details)*

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**F1** Reg. 32(3) inserted (7.1.2016) by The Unauthorised Unit Trusts (Tax) (Amendment No. 2) Regulations 2015 (S.I. 2015/2053), regs. 1, 4

**Changes to legislation:**

There are currently no known outstanding effects for the The Unauthorised Unit Trusts (Tax) Regulations 2013, CHAPTER 2.