HMRC - CTM48245 - Groups And Group Relief Claims

Group relief does not apply - SI2006/964 Regulation 94

An authorised investment fund (AIF) cannot be a member of a group for corporation tax purposes and cannot claim or surrender group relief, (SI2006/964 Regulation 94).

This is unchanged from the position prior to 1 April 2006 (when SI2006/964 came into force) which is explained at CTM48250.

If any claim to group relief or claim to surrender group relief is pursued (for any period) advice should be sought from CTIAA (Collective Investment Schemes).

Capital Gains or losses

An AIF is not within the charge to CT on CG and it is not possible for an AIF to be the principal company or to be a member of a CG group.

An authorised unit trust is treated as a company for the purposes of the TCGA 1992 but it is not a company of the type specified in TCGA92/S170 (9) for the purposes of the chargeable gains groups code.

An open-ended investment company does not have ordinary share capital that would allow it to be a subsidiary for the purposes of the code. From 1 April 2006 (when SI2006/964) came into force it is not possible for an OEIC to be the principal company of a chargeable gains group (SI2006/964 Regulation 107). Please see CG45173 for further guidance and CTM48250 for the reasons why an OEIC does not have ordinary share capital. The regulations also put beyond doubt that an OEIC does not have ordinary share capital (SI2006/964 Regulation 94(5)).

You should seek advice from CAR Capital Gains (Solihull) if it is maintained (at any time) that an AIF is a member of a chargeable gains group.

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