STATUTORY INSTRUMENTS

2006 No. 1959

INCOME TAX

The Investment-regulated Pension Schemes (Exception of Tangible Moveable Property) Order 2006

Made - - - -	*20th July 2006*
Laid before the House of Commons	*21st July 2006*
Coming into force - -	*11th August 2006*

The Treasury make the following Order in exercise of the powers conferred upon them by paragraph 11 of Schedule 29A to the Finance Act 2004(**a**):

Citation, commencement, effect and interpretation

1.—(1) This Order may be cited as the Investment-regulated Pension Schemes (Exception of Tangible Moveable Property) Order 2006 and shall come into force on 11th August 2006.

(2) This Order has effect from 6th April 2006.

(3) In these Regulations—

"market value" is to be determined in accordance with section 272 of the Taxation of Chargeable Gains Act 1992(**b**); and

"connected persons" (and cognate expressions) have the meaning in section 839 of the Income and Corporation Taxes Act 1988(**c**).

Exclusions from tangible moveable property

2. The following property shall not be regarded as taxable property for the purposes of the taxable property provisions (within the meaning in paragraph 1(3) of Schedule 29A to the Finance Act 2004)—

(a) gold bullion (that is, gold of a purity not less than 995 thousandths, which is in the form of a bar, or of a wafer, of a weight accepted by the bullion markets);

(b) any item of tangible moveable property (whose market value does not exceed £6,000)—

(i) held by a vehicle (within the meaning in paragraph 20(2) of Schedule 29A to the Finance Act 2004) solely for the purposes of the administration or management of the vehicle;

(ii) in which the relevant investment-regulated pension scheme does not hold an interest directly; and

(iii) where a member of the pension scheme or a person connected with such a member does not occupy or use, or have any right to occupy or use, the property.

(**a**) 2004 c. 12; Schedule 29A was inserted by paragraph 13 of Schedule 21 to the Finance Act 2006 (c. 25).
(**b**) 1992 c. 12.
(**c**) 1988 c. 1.

Dave Watts
Frank Roy
20th July 2006 Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

Section 158 of and Schedule 21 to the Finance Act 2006 introduce provisions (contained in Schedule 29A to the Finance Act 2004) relating to registered pension schemes, where the member or related persons can influence the choice of investments ("investment-regulated pension schemes"). Where such a scheme acquires an interest in residential property or tangible moveable property, tax charges arise.

Paragraph 11 of Schedule 29A gives the Treasury power to make Orders excluding any description of property from the category of tangible moveable property for the purposes of those provisions.

This Order excludes two kinds of property. The first is investment grade gold bullion. The second is property, not worth more than £6,000, held by an investment vehicle, in which the relevant pension scheme holds a direct or indirect interest, where the item of property is used solely for the purposes of the administration or management of the vehicle.

Article 1 of this Order provides for citation, commencement, effect and interpretation. The power to make the retrospective provision made by Article 1(2) is conferred by paragraph 11(2) of Schedule 29A to the Finance Act 2004.

Article 2 excludes the two kinds of property from the category of tangible moveable property.

The Board of Inland Revenue published a regulatory impact assessment covering the provisions of Part 4 of the Finance Act 2004, and subordinate legislation under it, on 8th April 2004. That assessment, and an Appendix covering later legislative changes, are available on the Revenue and Customs website at www.hmrc.govuk/ria/simplifying-pensions.pdf.

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