

Statutory Document No. 2020/0518

*Income Tax Act 1970*

INCOME TAX (SUBSTANCE REQUIREMENTS) (AMENDMENT) ORDER 2020

*Approved by Tynwald: 15 December 2020**Coming into Operation in accordance with article 2*

The Treasury makes the following Order under section 80N of the Income Tax Act 1970.

1 Title

This Order is the Income Tax (Substance Requirements) (Amendment) Order 2020.

2 Commencement

If approved by Tynwald¹, this Order comes into operation on the day after it is approved and has effect in respect of accounting periods commencing after that date.

3 Amendment of the Income Tax Act 1970

(1) The Income Tax Act 1970 is amended as follows.

(2) In section 80B (definitions), at the appropriate place, insert—

“**self-managed scheme**” means a resident company which is a collective investment scheme within the meaning of the Collective Investment Schemes Act 2008, and which has no other person or body conducting fund management in respect of it;”

(3) In section 80D (substance requirements: relevant sectors) after subsection (2) insert—

(3) For the purposes of this Part, a self-managed scheme (but no other collective investment scheme within the meaning of the Collective Investment Schemes Act 2008)—

¹ Tynwald approval is required by section 80N(1) of the Income Tax Act 1970.

- (a) is to be treated as receiving income from the relevant sector of fund management; and
- (b) is a relevant sector company. **22**.

MADE 13 NOVEMBER 2020

A L CANNAN
Minister for the Treasury

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

This Order is made under section 80N of the Income Tax Act 1970 (“the Act”). In order to continue to meet international standards this Order makes amendments to sections 80B and 80D of the Act to bring self-managed schemes within the economic substance regime under Part 6A of the Act.