



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 14

#### INCOME TAX LIABILITY: MISCELLANEOUS RULES

#### [<sup>F1</sup>CHAPTER A1

#### REMITTANCE BASIS

#### *Remittance of income and gains: transfers from mixed funds*

#### [<sup>F1</sup>809R Section 809Q: composition of mixed fund

- (1) This section applies for the purposes of step 1 of section 809Q(3) (composition of mixed fund).
- (2) Treat property which derives wholly or in part (and directly or indirectly) from an individual's income or capital for a tax year as consisting of or containing that income or capital.
- (3) If a debt relating (wholly or in part, and directly or indirectly) to property is at any time satisfied (wholly or in part) by—
  - (a) an individual's income or capital for a tax year, or
  - (b) anything deriving (directly or indirectly) from such income or capital,from that time treat the property as consisting of or containing the income or capital if and to the extent that it is just and reasonable to do so.
- (4) Treat an offshore transfer from a mixed fund as containing the appropriate proportion of each kind of income or capital in the fund immediately before the transfer.

“The appropriate proportion” means the amount (or market value) of the transfer divided by the market value of the mixed fund immediately before the transfer.

---

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

- (5) A transfer from a mixed fund is an “offshore transfer” for the purposes of subsection (4) if and to the extent that section 809Q does not apply in relation to it.
- (6) Treat a transfer from a mixed fund as an “offshore transfer” (and section 809Q as not applying in relation to it, if it otherwise would do) if and to the extent that, at the end of a tax year in which it is made—
- (a) section 809Q does not apply in relation to it, and
  - (b) on the basis of the best estimate that can reasonably be made at that time, section 809Q will not apply in relation to it.
- (7) In this section ‘mixed fund’ means money or other property containing or deriving from—
- (a) more than one of the kinds of income and capital mentioned in section 809Q(4), or
  - (b) income or capital for more than one tax year.
- (8) If section 809Q applies in relation to part of a transfer, apply that section in relation to that part before applying subsection (4) in relation to the rest of the transfer.
- (9) If section 809Q applies in relation to more than one transfer from a mixed fund, when undertaking step 1 in relation to the second or any subsequent transfer take into account the effect of step 2 of section 809Q(3) (composition of transfer) as it applied in relation to each earlier transfer.]

#### Textual Amendments

- F1** Pt. 14 Ch. A1 inserted (21.7.2008 with effect in accordance with Sch. 7 para. 81 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 7 para. 1** (with [Sch. 7 paras. 85-89](#))

#### Modifications etc. (not altering text)

- C1** Pt. 14 Ch. A1 modified by 2005 c. 5, s. 643F(4) (as inserted (with effect for the tax year 2018-19 and subsequent years) by [Finance Act 2018 \(c. 3\)](#), **Sch. 10 paras. 11, 21(1)** (with [Sch. 11 para. 22](#)))
- C2** Pt. 14 Ch. A1 modified by 2005 c. 5, s. 643N(3)(4) (as inserted (with effect for the tax year 2018-19 and subsequent years) by [Finance Act 2018 \(c. 3\)](#), **Sch. 10 paras. 11, 21(1)** (with [Sch. 11 para. 22](#)))
- C3** Ss. 809L-809Z6 applied by 2005 c. 5, s. 643I(9) (as inserted (with effect for the tax year 2018-19 and subsequent years) by [Finance Act 2018 \(c. 3\)](#), **Sch. 10 paras. 11, 21(1)** (with [Sch. 11 para. 22](#)))
- C4** Ss. 809L-809Z6 applied by 2005 c. 5, s. 643A(6) (as inserted (with effect for the tax year 2018-19 and subsequent years) by [Finance Act 2018 \(c. 3\)](#), **Sch. 10 paras. 11, 21(1)** (with [Sch. 11 para. 22](#)))
- C5** S. 809R(4) excluded (16.11.2017) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 8 para. 44(2)**

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)