STATUTORY INSTRUMENTS

2018 No. 372

INCOME TAX

The Relevant Overseas Schemes (Transfer of Sums and Assets) Regulations 2018

Made - - - -	*14th March 2018*
Laid before the House of Commons - - - -	*15th March 2018*
Coming into force - -	*6th April 2018*

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 169(7A) and (7D) of, and paragraph 2(4)(h) of Schedule 28 to, the Finance Act 2004(**1**) and now exercisable by them(**2**).

Citation and commencement

1. These Regulations may be cited as the Relevant Overseas Schemes (Transfer of Sums and Assets) Regulations 2018 and come into force on 6th April 2018.

Interpretation

2. In these Regulations "Part", "section" or "Schedule", without more, means a Part, section or Schedule of the Finance Act 2004.

Relevant overseas transfer

3.—(1) Paragraph 2 applies where there is a transfer within section 169(7B) (relevant overseas transfer) of sums or assets which, if the relevant overseas scheme were a registered pension scheme, would represent—

(**1**) 2004 c. 12. Section 169(7A) and (7D) were inserted by paragraph 13(7) of Schedule 4 to the Finance Act 2017 (c. 10) and has effect in relation to transfers made on or after 9th March 2017. Section 169(7A) defines "original pension" and "new pension". Section 169(7B) defines "relevant overseas transfer".

(**2**) The functions of the Commissioners for Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) of that Act provides that insofar as it is appropriate in consequence of section 5, a reference in an enactment, however expressed, to the Commissioners of Inland Revenue is to be treated as a reference to the Commissioners for Her Majesty's Revenue and Customs.

(a) rights in respect of a scheme pension to which a member of that relevant overseas pension scheme(**3**) has become entitled ("the original pension") and those sums and assets are, after the transfer, applied towards the provision of a scheme pension ("the new pension"), or

(b) a member's flexi-access drawdown fund ("the original pension") or a member's drawdown pension fund ("the original pension") under that relevant overseas scheme, which, after the transfer, is designated as available for payment of a drawdown pension ("the new pension") or applied towards the provision of a scheme pension ("the new pension").

(2) The new pension is to be treated as if it were the original pension for the purposes of Part 4 prescribed in the table.

Prescribed Purposes — relevant overseas transfer

Provision	*Purpose*
Paragraph 2A(3) and (5) of Schedule 28(**4**) (unauthorised payments)	To determine— (i) the rate payable when the member became entitled to the pension, and (ii) the amount of any lump sum on which there is no liability to tax to which the member became entitled in conjunction with the pension, by reference to the original pension.
Paragraph 8 of Schedule 28(**5**) (member's drawdown pension fund)	To determine whether the member's funds are newly designated funds to prevent the funds becoming newly designated funds as a result of the transfer.
Paragraph 1(1) and (3)(a) of Schedule 29(**6**) (pension commencement lump sum)	To determine whether the member has become entitled to a lump sum in connection with the member becoming entitled to the new pension by reference to the original pension (to prevent a lump sum to which a member becomes entitled in connection with becoming entitled to the new pension being a pension commencement lump sum).
Paragraph 14(3) of Schedule 29(**7**) (pension protection lump sum death benefit)	To determine— (i) the amount crystallised by reason of the member becoming entitled to the pension (AC) by reference to the member becoming entitled to the original pension, (ii) the amount of the pension paid (AP) as that paid in respect of the original pension and the new pension in respect of the period between the member becoming entitled to the original pension and the member's death, and

(**3**) "Relevant overseas scheme" has the meaning given in section 169(7C) of the Finance Act 2004 (c. 12), which was inserted by paragraph 13(7) of Schedule 4A to the Finance Act 2017.
(**4**) Paragraph 2A was inserted by paragraph 12 of Schedule 10 to the Finance Act 2005 (c. 7).
(**5**) Paragraph 8 was amended by the Taxation of Pensions Act 2014 (c. 30); the Finance Act 2011 (c. 11) and the Finance Act 2005 (c. 7).
(**6**) Paragraphs 1(1) was amended by Finance Act 2011 and Finance Act 2007 (c. 11).
(**7**) Paragraph 14(3) was amended by the Finance Act 2011.