
DRAFT STATUTORY INSTRUMENTS

2009 No.

The Offshore Funds (Tax) Regulations 2009

PART 2

THE TREATMENT OF PARTICIPANTS IN NON-REPORTING FUNDS

CHAPTER 2

CHARGES TO TAX ON PARTICIPANTS IN NON-REPORTING FUNDS

Charge to tax on certain amounts treated as distributions

Treatment of certain amounts as distributions

16.—(1) This regulation applies if a non-reporting fund which is a transparent fund has an interest in a reporting fund.

(2) In the case of any excess specified in regulation 94(2) which is treated, under that regulation, as made to the non-reporting fund, the Tax Acts have effect as if the excess were additional income of the participants in the non-reporting fund in proportion to their rights.

(3) The additional income is treated as arising on the same date as the excess is treated as made to the non-reporting fund.

(4) If a participant in the non-reporting fund is chargeable to income tax, the additional income is charged as relevant foreign income within the meaning given by section 830 of ITTOIA 2005⁽¹⁾.

(5) If a participant in the non-reporting fund is chargeable to corporation tax, the additional income is charged under Chapter 8 of Part 10 of CTA 2009 (miscellaneous income: income not otherwise charged).

(1) Section 830 was amended by paragraphs 51, 96, 156 and 162 of Schedule 7 to the Finance Act 2008.