



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 8

OFFSHORE FUNDS

Tax treatment of participants in offshore funds

356 Meaning of “mutual fund”

- (1) In section 355 “mutual fund” means arrangements with respect to property of any description (including money) that meet conditions A, B and C.
- (2) Subsection (1) is subject—
 - (a) to the exceptions made by or under sections 357 and 359, and
 - (b) to sections 360 and 361.
- (3) Condition A is that the purpose or effect of the arrangements is to enable the participants—
 - (a) to participate in the acquisition, holding, management or disposal of the property, or
 - (b) to receive profits or income arising from the acquisition, holding, management or disposal of the property or sums paid out of such profits or income.
- (4) Condition B is that the participants do not have day-to-day control of the management of the property.
- (5) For the purposes of condition B a participant does not have day-to-day control of the management of property by virtue of having a right to be consulted or to give directions.
- (6) Condition C is that, under the terms of the arrangements, a reasonable investor participating in the arrangements would expect to be able to realise all or part of an

Status: This is the original version (as it was originally enacted).

investment in the arrangements on a basis calculated entirely, or almost entirely, by reference to—

- (a) the net asset value of the property that is the subject of the arrangements, or
- (b) an index of any description.

(7) The Treasury may by regulations amend condition C.

(8) Regulations under subsection (7) may only be made if a draft of the statutory instrument containing the regulations has been laid before and approved by a resolution of the House of Commons.