

2013 No. 661

INCOME TAX

CORPORATION TAX

CAPITAL GAINS TAX

The Offshore Funds (Tax) (Amendment) Regulations 2013

Made - - - - 19th March 2013

Laid before the House of Commons at 1.30 p.m. on 20th March 2013

Coming into force - - at 3.00 p.m. on 20th March 2013

The Treasury make the following Regulations in exercise of the powers conferred by section 354 of the Taxation (International and Other Provisions) Act 2010(a).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Offshore Funds (Tax) (Amendment) Regulations 2013 and shall come into force at 3 p.m. on 20th March 2013.

(2) These Regulations have effect in relation to disposals made on or after that date.

Amendment of the Offshore Funds (Tax) Regulations 2009

2.—(1) The Offshore Funds (Tax) Regulations 2009(b) are amended as follows.

(2) In regulation 17 (the charge to tax), after paragraph (3) insert—

“(3A) Where the asset is an interest in a reporting fund acquired in consequence of an arrangement to which section 135 (exchange of securities for those in another company treated as not involving a disposal) or section 136 (scheme of reconstruction involving issue of securities treated as exchange not involving a disposal) of TCGA 1992(c) applied, the reporting fund referred to in sub-paragraph (b) of condition B is the fund that was company A for the purposes of either of those sections and the interest referred to in sub-paragraph (c) of condition B is the interest in that fund.”

*Stephen Crabb
Anne Milton*

19th March 2013

Two of the Lords Commissioners of Her Majesty's Treasury

(a) 2010 c. 8.

(b) S.I. 2009/3001, to which there are amendments not relevant to these Regulations. These Regulations are referred to in the footnotes to these Regulations as “the principal Regulations”.

(c) “TCGA 1992” is an abbreviation for the Taxation of Chargeable Gains Act 1992 (c. 12) given in Part 1 of Schedule 3 to the principal Regulations.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Offshore Funds (Tax) Regulations 2009, which make provision for the tax treatment of participants in offshore funds, to clarify the application of regulation 17 (the charge to tax) where the interest in the offshore fund which is disposed of was acquired in consequence of an exchange or scheme of reconstruction to which section 135 or 136 of the Taxation of Chargeable Gains Tax Act 1992 applied.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.

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