
STATUTORY INSTRUMENTS

2009 No. 3001

The Offshore Funds (Tax) Regulations 2009

PART 3

**REPORTING FUNDS AND THE TREATMENT
OF PARTICIPANTS IN REPORTING FUNDS**

CHAPTER 5

THE COMPUTATION OF REPORTABLE INCOME

Adjustments for special classes of income

Income from wholly-owned subsidiaries

67.—(1) This regulation applies if a reporting fund has a wholly-owned subsidiary.

(2) For the purposes of this regulation, a company is a wholly-owned subsidiary of an offshore fund if and so long as the whole of the issued share capital of the company is—

- (a) in the case of an offshore fund falling within paragraph (a) of the definition of “offshore fund” in section 40A(2) of FA 2008(1), directly and beneficially owned by the fund;
- (b) in the case of an offshore fund falling within paragraph (b) of the definition of “offshore fund” in that enactment, directly owned by the trustees of the fund for the benefit of the fund;
- (c) in the case of an offshore fund falling within paragraph (c) of the definition of “offshore fund” in that enactment, owned in a manner which, as near as may be, corresponds either to paragraph (a) or paragraph (b) above.

(3) But in the case of a company which has only one class of issued share capital, the reference in paragraph (2) to the whole of the issued share capital shall be construed as a reference to at least 95% of that share capital.

(4) That percentage of the receipts, expenditure, assets and liabilities of the subsidiary which is equal to the percentage of the issued share capital of the company concerned which is owned as mentioned in paragraph (2) shall be regarded as the receipts, expenditure, assets and liabilities of the fund.

(5) There shall be left out of account—

- (a) the interest of the fund in the subsidiary, and
- (b) any distributions or other payments made by the subsidiary to the fund or by the fund to the subsidiary.

(6) The adjustments required under regulations 64 and 65 must be made to the amount determined under paragraph (4).

(1) Section 40A was inserted by paragraph 2 of Schedule 22 to the Finance Act 2009 (c. 10).

Status: *This is the original version (as it was originally made).*
