
STATUTORY INSTRUMENTS

2009 No. 3001

The Offshore Funds (Tax) Regulations 2009

PART 3

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

CHAPTER 6

**TRANSACTIONS BY CERTAIN REPORTING
FUNDS WHICH ARE NOT TREATED AS TRADING**

Investment transactions carried out by diversely owned funds

Meaning of “relevant contract”: contracts for differences

86.—(1) For the purposes of regulation 82(1)(c) a “contract for differences” is a contract the purpose or pretended purpose of which is to make a profit or avoid a loss by reference to fluctuations in—

- (a) the value or price of property described in the contract, or
 - (b) an index or other factor designated in the contract.
- (2) But none of the following is a contract for differences—
- (a) a future;
 - (b) an option;
 - (c) a contract of insurance;
 - (d) a contract effected in the course of capital redemption business;
 - (e) a contract of indemnity;
 - (f) a guarantee;
 - (g) a warranty;
 - (h) a loan relationship.

- (3) For the purposes of paragraph (2)—

“capital redemption business” means any business of a company carrying on insurance business in so far as it consists of the effecting on the basis of actuarial calculations, and the carrying out, of contracts under which, in return for one or more fixed payments, a sum or series of sums of a specified amount become payable at a future time or over a period;

“loan relationship” is to be construed in accordance with regulation 87, but with references to “diversely owned fund” in that regulation treated as references to “company”.

(4) For the purposes of paragraph (1)(b) an index or factor may be determined by reference to any matter and, for these purposes, a numerical value may be attributed to any variation in a matter.