

STATUTORY INSTRUMENTS

2009 No. 3001

The Offshore Funds (Tax) Regulations 2009

PART 3

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

CHAPTER 8

THE TAX TREATMENT OF PARTICIPANTS IN REPORTING FUNDS

Tax treatment of the reported income of the fund in the hands of participants

[^{F1}Equalisation amounts not treated as distributions

94A.—(1) This regulation applies if—

- (a) a participant has acquired by way of initial purchase an interest in a reporting fund, and
- (b) the reporting fund operates full equalisation arrangements.

[^{F2}(2) Where this regulation applies, distributions are reduced in accordance with either option 1 or option 2.

Option 1

Under this option—

- (a) the amount of any actual distributions to the participant in respect of the reporting period is reduced by the equalisation amount, and
- (b) the amount of any excess treated as additional distributions made to the participant is reduced by the amount, if any, by which the equalisation amount exceeds the amount of any actual distributions to the participant in respect of the reporting period.

Option 2

Under this option—

- (a) the amount of any excess treated as additional distributions made to the participant is reduced by the equalisation amount, and
- (b) the amount of any actual distributions to the participant in respect of the reporting period is reduced by the amount, if any, by which the equalisation amount exceeds the excess.]

(3) But the amount of any excess treated as additional distributions or any actual distributions shall not be reduced to below nil.

(4) For the purposes of paragraph (2) the excess is the amount treated as additional distributions made to the participant in accordance with regulation 94(1) and (2).]

F1 Reg. 94A inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Offshore Funds \(Tax\) \(Amendment\) Regulations 2011 \(S.I. 2011/1211\)](#), regs. 1(1), 12

Changes to legislation: *There are currently no known outstanding effects for the The Offshore Funds (Tax) Regulations 2009, Section 94A. (See end of Document for details)*

F2 Reg. 94A(2) substituted (28.6.2013) by The Offshore Funds (Tax) (Amendment No. 2) Regulations 2013 (S.I. 2013/1411), regs. 1(1), **9** (with reg. 1(3)(4))

Changes to legislation:

There are currently no known outstanding effects for the The Offshore Funds (Tax) Regulations 2009, Section 94A.