
STATUTORY INSTRUMENTS

2009 No. 3001

The Offshore Funds (Tax) Regulations 2009

PART 2

THE TREATMENT OF PARTICIPANTS IN NON-REPORTING FUNDS

CHAPTER 3

EXCEPTIONS ETC. FROM THE CHARGE TO TAX

[^{F1}Unlisted trading company exception: the investment condition

31B.—(1) The investment condition is that at least 90% of the value of the assets of the fund consists of—

- (a) direct or indirect holdings in qualifying companies,
- (b) holdings of shares or securities listed on a recognised stock exchange or admitted to trading on a regulated market which the fund intends to dispose of as soon as reasonably practicable, taking into account market conditions and commercial and contractual constraints, and which—
 - (i) were acquired by the fund in exchange for shares or securities in a qualifying company, or
 - (ii) were shares in a qualifying company at the time of their acquisition by the fund,
- (c) holdings of shares or securities listed on a recognised stock exchange or admitted to trading on a regulated market, which are holdings in a company that would be a qualifying company if it were not so listed or admitted, where it is reasonable to believe that the shares or securities will cease to be so listed or admitted within 12 months,
- (d) shares or securities which have ceased to be within sub-paragraph (c) because it is no longer reasonable to believe that they will cease to be listed or admitted, which the fund intends to dispose of as soon as reasonably practicable taking into account market conditions and commercial and contractual constraints.

(2) For the purposes of the investment condition—

- (a) any holding of cash shall be disregarded, and
- (b) a holding in a qualifying company is held indirectly if it is held by a corporate body which is a 51% subsidiary of the fund.

(3) For the purposes of paragraph (2) section 1154 of CTA 2010 applies to determine whether a corporate body is a 51% subsidiary of a fund.]

Textual Amendments

F1 Regs. 31A-31C 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), 19

Changes to legislation:

There are currently no known outstanding effects for the The Offshore Funds (Tax) Regulations 2009, Section 31B.