
DRAFT STATUTORY INSTRUMENTS

2009 No.

The Offshore Funds (Tax) Regulations 2009

PART 2

THE TREATMENT OF PARTICIPANTS IN NON-REPORTING FUNDS

CHAPTER 5

OFFSHORE INCOME GAINS AND THE COMPUTATION OF OFFSHORE INCOME GAINS

The basic gain and its computation

39.—(1) In the case of a participant chargeable to income tax, the basic gain is a gain of the amount which would be the gain on that disposal for the purposes of TCGA 1992 if the gain were computed without regard to any charge to income tax arising under this Part.

(2) In the case of a participant chargeable to corporation tax, the basic gain is a gain of the amount which would be the gain on that disposal for the purposes of TCGA 1992 if the gain were computed—

- (a) without regard to any charge to corporation tax arising under this Part, and
 - (b) without regard to any indexation allowance on the disposal under TCGA 1992.
- (3) The computation of the basic gain is subject to—
- (a) regulation 34 (provisions applicable on death);
 - (b) regulation 35 (application of section 135 of TCGA 1992);
 - (c) regulation 36 (application of section 136 of TCGA 1992);
 - (d) regulation 37 (exchange of interests of different classes);
 - (e) regulation 40 (earlier disposal to which the no gain/no loss basis applies);
 - (f) regulation 41 (modifications of TCGA 1992);
 - (g) regulation 42 (losses);
 - (h) regulation 43 (special rules for certain existing holdings).