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DRAFT STATUTORY INSTRUMENTS

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**2009 No.**

**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*

**Reported income: general provisions**

**94.**—(1) In the case of a reporting fund which is not a transparent fund, the Tax Acts have effect as if the excess (if any) of the reported income of the fund in respect of a reporting period over the distributions made by the fund in respect of the reporting period were additional distributions made to the participants in the fund in proportion to their rights.

(2) In the case of a reporting fund which is a transparent fund, the Tax Acts have effect as if the excess (if any) of the reported income of the fund in respect of a reporting period over the income of the fund for the reporting period were additional income of the participants in the fund in proportion to their rights.

(3) The excess specified in paragraphs (1) and (2) is treated as made, on the fund distribution date, to participants holding an interest in the fund at the end of the reporting period.

(4) In these Regulations the “fund distribution date” for a reporting period of a reporting fund means—

- (a) in a case where the reporting fund issues its report to participants within a period of six months beginning with the day immediately following the last day of the reporting period, the date on which the report is issued, and
- (b) in any other case, the last day of the reporting period.