
DRAFT STATUTORY INSTRUMENTS

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

Participants chargeable to income tax: other non-transparent funds

96.—(1) This regulation applies if—

- (a) a reporting fund makes a distribution to a participant chargeable to income tax in respect of a reporting period,
- (b) the fund falls within paragraph (b) or (c) of section 40A(2) of FA 2008, and
- (c) the fund is not a transparent fund.

(2) This regulation also applies if some or all of the excess specified in regulation 94(1) is treated as made by such a fund to such a participant.

(3) Any amount to which paragraph (1) or (2) applies is charged to income tax—

- (a) under section 378A of ITTOIA 2005 (offshore fund distributions), or
- (b) (if that section does not apply) under Chapter 8 of Part 5 of ITTOIA 2005 (miscellaneous income: income not otherwise charged) for the year of assessment in which the distribution is made, but sections 688(1) and 689 of ITTOIA 2005(1) (income charged and person liable) do not apply.