



Finance Act 2009

2009 CHAPTER 10

PART 2

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Collective investment

44 Tax treatment of participants in offshore funds

In Schedule 22—

Part 1 contains provision defining what is meant by an offshore fund for the purposes of section 41 of FA 2008 (tax treatment of participants in offshore funds), and

Part 2 contains provision about the treatment of participants in certain offshore funds under TCGA 1992.

45 Power to enable dividends of investment trusts to be taxed as interest

- (1) The Treasury may by regulations make provision for and in connection with—
 - (a) the designation by a company that is an investment trust or a prospective investment trust of dividends made by the company, and
 - (b) the treatment of a designated dividend for the purposes of the Tax Acts, in specified circumstances and in the case of specified persons—
 - (i) as a payment of yearly interest, or
 - (ii) as interest under a loan relationship.
- (2) Regulations under this section may, in particular, make provision—
 - (a) about the circumstances in which a dividend may, or may not, be designated,
 - (b) about limits on the amounts that may be designated or treated as a payment of yearly interest or as interest under a loan relationship,

Status: This is the original version (as it was originally enacted).

- (c) disapplying the duty under section 874 of ITA 2007 (deduction of sums representing income tax from payments of yearly interest) in specified circumstances,
 - (d) about the preparation of accounts and the keeping of records by investment trusts and prospective investment trusts, and
 - (e) about the provision by investment trusts and prospective investment trusts of information, whether to recipients of designated dividends or to other persons, including provision imposing a penalty not exceeding £3,000.
- (3) Regulations under this section may, in particular—
- (a) make provision applying enactments and instruments (with or without modification),
 - (b) make different provision for different cases or different purposes, and
 - (c) make incidental, consequential, supplementary or transitional provision.
- (4) Regulations under this section are to be made by statutory instrument.
- (5) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons.
- (6) In this section—
- “company” has the same meaning as in section 842 of ICTA (investment trusts);
 - “investment trust” means an investment trust within the meaning of section 842(1) of ICTA;
 - “loan relationship” has the same meaning as in the Corporation Tax Acts (see section 302(1) and (2) of CTA 2009);
 - “prospective investment trust” means a company that—
 - (a) intends to seek approval under section 842 of ICTA (investment trusts), and
 - (b) has a reasonable belief that such approval will be obtained;
 - “specified” means specified in regulations under this section.