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STATUTORY INSTRUMENTS

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**2006 No. 964**

**The Authorised Investment Funds (Tax) Regulations 2006**

**[<sup>F1</sup>PART 6A**

**FUNDS INVESTING IN NON-REPORTING OFFSHORE FUNDS**

**CHAPTER 2**

**Entry into Funds Investing in Non-Reporting Offshore Fund (“FINROF”) regime**

**[<sup>F1</sup>The requirement to notify participants when a fund enters the FINROF regime**

**85I.**—(1) The legal owner must notify the participants in a fund that the fund has entered the FINROF regime and inform them that any gains made on the disposal of units in the fund shall be treated as an income gain rather than a capital gain, in accordance with Chapter 3 of this Part.

(2) The notification under paragraph (1) must be given within a period of 3 months beginning with the date on which this Part first applied to the fund.

(3) For the purposes of paragraph (2), no account shall be taken of the period before the date of any previous valid election under regulation 85Z9 (leaving the FINROF regime).

(4) An authorised investment fund that fails to comply with this regulation is liable to a penalty not exceeding £3,000 determined in accordance with section 100 of TMA 1970.

(5) Sections 100A, 100B, 102, 103(4) and 118(2) of TMA 1970 apply to a penalty determined in accordance with paragraph (4).

(6) This regulation is subject to regulation 85J.]

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**Textual Amendments**

**F1** Pt. 6A inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Authorised Investment Funds \(Tax\) \(Amendment\) Regulations 2010 \(S.I. 2010/294\)](#), regs. 1(1), **21** (with regs. 25, 26)

**Changes to legislation:**

There are currently no known outstanding effects for the The Authorised Investment Funds (Tax) Regulations 2006, Section 85I.