

**2017 No. 240**

**INCOME TAX**

**CORPORATION TAX**

**CAPITAL GAINS TAX**

**The Offshore Funds (Tax) (Amendment) Regulations 2017**

*Made - - - - at 9.00 a.m. on 2nd March 2017*

*Laid before the House of Commons at 3.00 p.m. on 2nd March 2017*

*Coming into force - - - - 23rd March 2017*

The Treasury, in exercise of the powers conferred by section 354 of the Taxation (International and Other Provisions) Act 2010<sup>(a)</sup>, make the following Regulations:

**Citation, commencement and effect**

**1.**—(1) These Regulations may be cited as the Offshore Funds (Tax) (Amendment) Regulations 2017 and come into force on 23rd March 2017.

(2) These Regulations have effect for each reporting period beginning on or after 1st April 2017.

(3) In this regulation, “reporting period” has the same meaning as in regulation 91 of the Offshore Funds (Tax) Regulations 2009<sup>(b)</sup>.

**Amendment of the Offshore Funds (Tax) Regulations 2009**

**2.**—(1) The Offshore Funds (Tax) Regulations 2009 are amended as follows.

(2) In the following places after “capital items” insert “and miscellaneous items”—

- (a) regulation 63(2)(a),
- (b) the italic heading before the heading to regulation 64 and the corresponding entry in the table of contents,
- (c) the heading to regulation 65 and the corresponding entry in the table of contents.

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(a) 2010 c. 8.

(b) S.I. 2009/3001, to which there are amendments not relevant to these Regulations.

- (3) In regulation 65(2)—
- (a) at the end of paragraph (a), omit “and”,
  - (b) after paragraph (b) insert—
    - “, and
    - (c) sums payable or allocated to the manager(a) of a fund calculated by reference to an increase in the net asset value of the fund or a formula designed to reward the manager’s performance.”.

*Andrew Griffiths*  
*Stephen Barclay*

At 9.00 a.m. on 2nd March 2017 Two of the Lords Commissioners of Her Majesty’s Treasury

### **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the Offshore Funds (Tax) Regulations 2009, which make provision for the tax treatment of participants in offshore funds.

Regulation 1 provides for citation, commencement and effect.

Regulation 2 makes consequential amendments and amends regulation 65 so that sums payable or allocated to the manager of an offshore fund calculated by reference to an increase in the net asset value of the fund or a formula designed to reward the manager’s performance do not reduce the amount of reportable income of a fund for a period of account.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

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(a) “Manager” is defined in regulation 51(3) of the Offshore Funds (Tax) Regulations 2009.



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