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## SCHEDULES

### SCHEDULE 26

#### OFFSHORE FUNDS

##### *Computation of UK equivalent profits: creditor relationships*

- 1 <sup>F1</sup>(1) . . . . .
- (2) Paragraph 3 of Schedule 10 to the Finance Act 1996 (c. 8) (assumptions to be made in relation to creditor relationships) shall cease to have effect.
- (3) In relation to a fund established on or before the day on which this Act is passed, this paragraph only has effect if an election that it should have effect has been made by or on behalf of the fund.
- (4) Any such election—
- (a) must be made by notice to an officer of the Board, in such form and within such time as the Board may determine, and
  - (b) is irrevocable.
- (5) For the purpose of determining the United Kingdom equivalent profits of an offshore fund for the first account period of the fund in relation to which this paragraph has effect—
- (a) any profits, gains or losses arising from a creditor relationship that were taken into account in determining the United Kingdom equivalent profits of the fund for the preceding account period shall be disregarded, and
  - (b) any profits, gains or losses arising from a creditor relationship that—
    - (i) arose in, or in respect of, the preceding account period, but
    - (ii) were not taken into account in determining the United Kingdom equivalent profits of the fund for that period,shall be taken into account.
- (6) In this paragraph—
- “creditor relationship” has the same meaning as in [<sup>F2</sup>Part 5 of the Corporation Tax Act 2009]; and
  - “United Kingdom equivalent profits” has the meaning given in paragraph 5 of Schedule 27 to the Taxes Act 1988.

#### Textual Amendments

- F1** Sch. 26 para. 1(1) repealed (with effect in accordance with art. 1(2)(3), Sch. 1 of the amending S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), reg. 1(1), [Sch. 2](#)
- F2** Words in Sch. 26 para. 1(6) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 581\(2\)](#) (with [Sch. 2 Pts. 1, 2](#))

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**Changes and effects yet to be applied to :**

- Sch. 26 para. 1(1) omitted by [2008 c. 9 s. 41\(7\)\(g\)](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)