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STATUTORY INSTRUMENTS

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**2009 No. 3001**

**The Offshore Funds (Tax) Regulations 2009**

**PART 3**

**REPORTING FUNDS AND THE TREATMENT  
OF PARTICIPANTS IN REPORTING FUNDS**

**CHAPTER 4**

**THE PREPARATION OF ACCOUNTS**

**Accounts to be prepared in accordance with acceptable accounting policy**

**59.** A reporting fund must prepare accounts—

- (a) in accordance with international accounting standards, or
- (b) in accordance with the generally accepted accounting practice specified in the application.

**Change in accounting policy**

**60.**—(1) This regulation applies if—

- (a) there is a change of accounting policy in drawing up a reporting fund's accounts from one period of account (in this Chapter called the "earlier period") to the next (in this Chapter called the "later period"), and
- (b) the approach in each of those periods accords with the law and practice applicable in relation to that period.

(2) If there is a difference between—

- (a) the accounting value of an asset or liability of the offshore fund at the end of the earlier period, and
- (b) the accounting value of that asset or liability at the beginning of the later period,

a corresponding debit or credit (as the case may be) must be brought into account for the purposes of these Regulations in the later period.

(3) In paragraph (2) "accounting value" means the carrying value of the asset or liability recognised for accounting purposes.

**Change in accounting practice to a generally accepted accounting practice**

**61.**—(1) This regulation applies if—

- (a) there is a change of accounting practice in drawing up a reporting fund's accounts from the earlier period to the later period, and
- (b) the fund prepares accounts for the later period in accordance with a generally accepted accounting practice.

(2) If the accounts for the later period are not prepared in accordance with international accounting standards, the offshore fund must give notice to HMRC—

- (a) applying for approval of the generally accepted accounting practice, and
- (b) providing the statement mentioned in regulation 53(1)(d).

(3) If the accounts for the later period are prepared in accordance with international accounting standards, the offshore fund must give notice to HMRC.

(4) Within 28 days beginning with the day on which HMRC receive an application under paragraph (2), HMRC must give notice to the offshore fund—

- (a) accepting the application, or
- (b) rejecting the application.

(5) If HMRC reject an application, the offshore fund may appeal.

(6) The notice of appeal must be given to HMRC within a period of 42 days beginning with the day on which the notice rejecting the application is given.

(7) On an appeal, the tribunal may uphold or quash the rejection of the application.