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STATUTORY INSTRUMENTS

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**2009 No. 3001**

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

**PART 2**

**THE TREATMENT OF PARTICIPANTS IN NON-REPORTING FUNDS**

**CHAPTER 3**

**EXCEPTIONS ETC. FROM THE CHARGE TO TAX**

**Interests in transparent funds**

**29.**—(1) No liability to tax arises under regulation 17 if—

- (a) the disposal is the disposal of an interest in an offshore fund falling within paragraph (b) or (c) of section 40A(2) of FA 2008(1), and
- (b) the fund is a transparent fund.

This is subject to paragraphs (2) and (3).

(2) But there is a charge to tax under regulation 17 if—

- (a) there is a disposal of an interest in a transparent fund, and
- (b) during a period beginning with the date the interest (or any part of it) was acquired and ending with the date of the disposal, the offshore fund has at any time held interests in other non-reporting funds which amounted in total to more than 5% by value of the offshore fund's assets.

(3) And there is a charge to tax under regulation 17 if—

- (a) there is a disposal of an interest in a transparent fund,
- (b) the fund is a non-reporting fund, and
- (c) the fund fails to make sufficient information available to participants in the fund to enable those participants to meet their tax obligations in the United Kingdom with respect to their shares of the income of the fund.

(4) If, on the disposal by an offshore fund of an interest in another non-reporting fund, no liability would arise under regulation 17 by virtue of this regulation, that interest is not taken into account for the purposes of paragraph (2)(b).