

## Reporting Funds – time limits for making an application

The time limits for an offshore fund to make an application to enter the Reporting Fund regime are set out in Regulation 54(2) SI2009/3001 (as amended by SI 2009/3139) as follows:

'The application must be received by HMRC before the expiry of a period of three months beginning with

the last of—

- (a) the first day of the first period of account for which it is proposed that this Part should apply to the fund,
- (b) the day on which the first interests in the fund are issued to participants, and
- (c) in the case of an existing fund (as defined in Schedule 1), the first day on which interests in the fund are made available to investors resident in the United Kingdom.'

**It is important to note** that there is no provision within The Offshore Funds (Tax) Regulations to allow applications to be made after these time limits. However, HMRC recognise that the detailed guidance on the operation of the new regulations was only published on 18 May 2010 and that, until then, there may have been some uncertainty as to precisely how the new rules would apply. It is also recognised that, in accordance with paragraph 7 Schedule 1 of the Regulations, entities not within the definition of an offshore fund before 1 December 2009, but within the new definition (in S40A FA 2008) from that date, only have until 31 May 2010 to make an application to enter the regime for an accounting period straddling 1 December 2009.

HMRC will therefore accept late applications to enter the Reporting Fund regime in respect of such applications **received by 30 June 2010**. After this date applications must be received by the time limits set out in the Regulations.