

## **GSCCA Circular 14**

**10 September 2020**

### **Changes to economic substance regulations in respect of self-managed funds**

This circular provides information on changes to The Income Tax (Substance Requirements) (Implementation) Regulations, 2018 that will be made by The Income Tax (Substance Requirements) (Implementation) (Amendment) Regulations, 2020 (hereinafter collectively referred to as “the Regulations”). These will come into effect from 1 October 2020.

Further information and guidance on the economic substance requirements can be found at [www.gov.gg/economicsubstance](http://www.gov.gg/economicsubstance).

#### **Self-managed funds will be brought within scope**

Where a Collective Investment Vehicle (CIV) has no other person or body conducting fund management in respect of it, that CIV will be considered a self-managed fund.

As a self-managed fund, that CIV will be subject to the substance requirements as if it carried on the relevant activity of fund management and received income from that relevant activity.

Self-managed funds will be required to demonstrate they have substance in Guernsey with effect from 1 October 2020, the date the amending regulations come into operation. This will not change the tax position of such entities.

The amending Regulations have been added to the economic substance pages.

N Forshaw

Director of the Revenue Service