

This document aims to provide an overview of Excess Reportable Income in relation to funds used within the Money Market Managed Portfolio Service (Money Market MPS) provided by Aberdeen Portfolio Solutions Limited (APSL).

This guide is provided for general information only. It summarises how excess reportable income (ERI) may arise in relation to funds held within the DFM's managed portfolios, but does not constitute tax, legal, or accounting advice. ERI calculations and their implications depend on each client's individual circumstances and may change as tax rules, HMRC guidance, and/or fund reporting practices evolve.

You must exercise your own professional judgement when considering ERI for your clients and should consult the relevant legislation, HMRC regulations and published guidance, and where appropriate seek advice from qualified tax professionals.

Neither APSL nor its affiliates accept responsibility for any action taken, or not taken, based on the information contained in this document.

What is Excess Reportable Income?

Excess Reportable Income (ERI) refers to income generated by offshore reporting funds, such as SICAVs, ICAVs or offshore ETFs, that has not been distributed to investors.

ERI is deemed as a distribution of income for UK tax purposes.

When is ERI relevant?

ERI is only relevant for investments held outside of tax efficient wrappers, for example:

- General Investment Accounts (GIA)
- Personal Portfolios (PP)

These accounts are subject to UK income tax, and ERI must be reported by investors.

When investments are held in tax-efficient wrappers such as ISAs, SIPPs and Investment Bonds, no tax liability arises in relation to ERI.

Why is ERI relevant to my client?

ERI is primarily relevant to UK tax residents who invest in funds based outside of the UK, also known as offshore reporting funds. These funds may adopt 'reporting fund' status whereby they are required to disclose to HMRC the income that they have accrued during each financial year.

With these types of investment, investors are liable to tax on the total reported income of the fund, which includes:

- The income actually distributed by the fund, and
- Any excess reportable income attributed to them.

Which funds within Money Market MPS generate ERI?

Aberdeen's Money Market MPS uses **reporting funds** to allow more efficient tax treatment for eligible investors.

As at the date of this document, there are two funds within Aberdeen's Money Market MPS that fall part of the reporting fund regime:

- Aberdeen Std Liq (L) Stg Y21 Acc
- Blackrock ICS Int Stg Lq Pre GBP

If you require further information on ERI for these funds, please click on the relevant fund managers website below:

- [Aberdeen Std Liq \(L\) Stg Y21 Acc Reporting Guidelines](#)
- [BlackRock ICS Int Stg Lq Pre GBP Reporting Guidelines](#)

Taxation of Reporting & Non-Reporting Funds

- **Reporting funds:** Gains on disposal are typically subject to Capital Gains Tax (CGT) treatment.
- **Non-reporting funds:** Gains on disposal are treated as Income and taxed accordingly.

For the accumulation share-class funds, any ERI value is added to what you originally paid for it. When the client sells the investment within a GIA and CGT applies, this adjustment helps to avoid double taxation.



When is ERI taxable?

ERI becomes taxable when an investor remains invested on the last day of the fund's reporting period.

The ERI is 'deemed' to be distributed six months after the end of the fund's reporting period. That is the date that the income is treated as being earned for UK tax purposes.

How do I calculate ERI?

Illustrative Example*

A UK resident investor purchases 100 units for £1,000 on 31 March 2025 in an offshore reporting fund A. The fund has a reporting period ending on 31 December 2025.

The ERI report shows:

- Excess reportable income: £5 per unit
- Income equalisation factor: £1 per unit

As the investor held the investment at the end of the fund reporting period, they will be subject to income tax on the £500 of excess reportable income.

However, as they did not hold the units for the full reporting period, they need to consider the income equalisation factor of £100 (£1 per unit), which will effectively be treated as a return of capital as outlined in the calculation as follows.

The income of £400 is deemed to be paid on 30 June 2026, which falls in the 2025/26 tax year.

Income tax		Capital gains tax	
Excess reportable income	£500	Purchase price	£1,000
Income equalisation	-£100	Income equalisation	-£100
		Excess reportable income	£500
Taxable distribution	£400	Adjusted base cost	£1,400

*This example is indicative and is provided for illustrative purposes only. It should not be considered as definitive or applicable to any specific situation. The figures and scenarios used in this example are hypothetical and may not reflect actual circumstances. Advisers should use their professional judgment and consult relevant regulations and guidelines when addressing cases in practice.

Things to consider

The following points may help you determine the appropriate actions when ERI arises for clients invested in Aberdeen's Money Market MPS.

1. **Identify which clients may be affected:** Review clients holding Aberdeen Money Market MPS within GIAs or PPs.
2. **Gather the necessary ERI information:** Access annual ERI figures from the fund managers' reporting pages and confirm reporting period end dates and deemed distribution dates.
3. **Review tax implications with clients:** Consider whether ERI affects a client's income tax position for the relevant tax year and discuss whether this may influence future CGT planning.



For more information visit [aberdeenadviser.com](https://www.aberdeenadviser.com)

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