

2016 No. 1181

CORPORATION TAX

**The Corporation Tax Act 2010 (Profits Arising from the
Exploitation of Patents) Foreign Taxes Designation Regulations
2016**

<i>Made</i> - - - -	<i>6th December 2016</i>
<i>Laid before the House of Commons</i>	<i>7th December 2016</i>
<i>Coming into force</i> - -	<i>31st December 2016</i>

In accordance with section 357BP(9) of the Corporation Tax Act 2010(a) it appears to the Treasury that the taxes designated in these Regulations may be charged at a reduced rate under provisions of the law of the country or territory concerned which correspond to the provisions of Part 8A of the Corporation Tax Act 2010(b).

The Treasury, in exercise of the powers conferred by section 375BP(8)(d) of the Corporation Tax Act 2010, make the following Regulations.

Citation and commencement

1.—(1) These Regulations may be cited as the Corporation Tax Act 2010 (Profits Arising from the Exploitation of Patents) Foreign Taxes Designation Regulations 2016.

(2) These Regulations come into force on 31st December 2016.

Designation of foreign taxes

2. The following foreign taxes are designated for the purposes of section 357BP of the Corporation Tax Act 2010—

- (a) in the Kingdom of Belgium, Corporate Income Tax,
- (b) in the People's Republic of China, Corporate Income Tax,
- (c) in the Republic of Colombia, Corporate Income Tax,
- (d) in the Republic of Cyprus, Corporate Income Tax,
- (e) in the French Republic, Corporation Tax,
- (f) in the Republic of Hungary, Corporate Income Tax,
- (g) in the State of Israel, Company Tax,
- (h) in the Italian Republic, Corporate Income Tax,
- (i) in the Republic of Korea, Corporate Income Tax,

(a) 2010 c. 4; section 357BP was inserted by section 64(3) of the Finance Act 2016 (c. 24).

(b) Part 8A was inserted by paragraph 1(1) of Schedule 2 to the Finance Act 2012 (c. 14).

- (j) in the Principality of Liechtenstein, Corporate Income Tax,
- (k) in the Grand Duchy of Luxembourg, Corporation Tax,
- (l) in the Republic of Malta, Corporate Income Tax,
- (m) in the Kingdom of the Netherlands, Corporate Income Tax,
- (n) in the Portuguese Republic, Corporate Income Tax,
- (o) in the Kingdom of Spain, Corporation Tax,
- (p) in the Swiss Confederation, in the canton of Nidwalden, Cantonal Income Tax, and
- (q) in the Republic of Turkey, Corporation Tax.

*Guy Opperman
Robert Syms*

6th December 2016

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

In accordance with section 357BP (meaning of “new qualifying IP right” and “old qualifying IP right”) of the Corporation Tax Act 2010 (c. 4) (“CTA 2010”), a right or exclusive licence is a “new qualifying IP right” for the purposes of Part 8A (profits arising from the exploitation of patents) CTA 2010 if the right is assigned or the licence is granted on or after 2 January 2016 and the conditions set-out in subsection (8) of section 357BP are met.

One of the conditions in subsection (8) of section 357BP is that the person who assigned the right or granted the licence was not liable at the time of the assignment or grant to a designated foreign tax.

These Regulations designate the foreign taxes listed in regulation 2 for the purposes of section 357BP CTA 2010.

A Tax Information and Impact Note has not been prepared for these Regulations as they contain no substantive changes to tax policy.

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