



# Income and Corporation Taxes Act 1988

## 1988 CHAPTER 1

### PART XIX **U.K.**

#### SUPPLEMENTAL

##### *Miscellaneous*

#### **817 Deductions not to be allowed in computing profits or gains. **U.K.****

F1 .....

##### **Textual Amendments**

F1 S. 817 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 265, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

#### **818 Arrangements for payments of interest less tax or of fixed net amount. **U.K.****

F2 .....

##### **Textual Amendments**

F2 S. 818 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 203, **Sch. 3 Pt. 1** (with Sch. 2)

#### **819 Old references to standard rate tax. **U.K.****

F3 .....

*Status: Point in time view as at 01/04/2009.*

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### Textual Amendments

- F3** S. 819 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 204](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

## 820 Application of Income Tax Acts from year to year. **U.K.**

<sup>M1</sup> In order to ensure the collection in due time of income tax which may be granted for any year commencing on 6th April, all such provisions contained in the Income Tax Acts as were in force on the preceding day shall have full force and effect with respect to tax which may be so granted, in the same manner as if that tax had been actually granted by Act of Parliament and those provisions had been applied thereto by the Act.

### Modifications etc. (not altering text)

- C1** S. 820 applied (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1)(2), [Sch. 2 para. 160](#)

### Marginal Citations

- M1** Source—1970 s.520

## 821 Under-deductions from payments made before passing of annual Act. **U.K.**

<sup>M2</sup>(1) Where, in any year of assessment [<sup>F4</sup>or accounting period], any half-yearly or quarterly payments [<sup>F5</sup>(or half-periodic or quarterly payments)] have been made on account of any interest, dividends or other annual profits or gains, previously to the passing of the Act imposing income [<sup>F6</sup>or corporation] tax for that year [<sup>F7</sup>or period], and tax has not been charged thereon or deducted therefrom or has not been charged thereon or deducted therefrom at the rate ultimately imposed for that year [<sup>F7</sup>or period]—

- (a) the amount not so charged or deducted shall be charged [<sup>F8</sup>in respect of those payments to income tax under Chapter 2 of Part 4 of ITTOIA 2005 (interest) or shall be charged to corporation tax][<sup>F9F10</sup> . . . <sup>F11</sup> . . . ; and]
- (b) the agents entrusted with the payment of the interest, dividends or other annual profits or gains shall furnish to the Board a list containing the names and addresses of the persons to whom payments have been made and the amount of those payments, upon a requisition made by the Board in that behalf.

(2) Any person liable to pay any rent, interest or annuity, or to make any other annual payment—

- (a) shall be authorised—
  - (i) to make any deduction on account of income tax for any year of assessment which he has failed to make previously to the passing of the Act imposing the tax for that year, or
  - (ii) to make up any deficiency in any such deduction which has been so made,

on the occasion of the next payment of the rent, interest or annuity or making of the other annual payment after the passing of the Act so imposing the tax, in addition to any other deduction which he may be by law authorised to make; and

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- (b) shall also be entitled, if there is no future payment from which the deduction may be made, to recover the sum which might have been deducted as if it were a debt due from the person as against whom the deduction could originally have been made if the Act imposing the tax for the year had been in force.
- (3) Subsection (2) above shall apply with respect to—
- [<sup>F12</sup>(a) any payment to which section 906 of ITA 2007 applies (certain royalties etc where usual place of abode of owner is abroad), and]
- [<sup>F13</sup>(aa) <sup>F14</sup> . . . . .]
- (b) any royalty or other sum paid in respect of the user of a patent; <sup>F15</sup> . . .
- <sup>F15</sup>(c) . . . . .
- as it applies with respect to any rent, interest, annuity or other annual payment.
- (4) In this section “interest” and “dividends” do not include any interest or dividend which is a distribution.

#### Textual Amendments

- F4** Words in s. 821(1) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 330\(a\)](#) (with [Sch. 2](#))
- F5** Words in s. 821(1) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 330\(b\)](#) (with [Sch. 2](#))
- F6** Words in s. 821(1) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 330\(c\)](#) (with [Sch. 2](#))
- F7** Words in s. 821(1) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 330\(d\)](#) (with [Sch. 2](#))
- F8** Words in s. 821(1)(a) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 330\(e\)](#) (with [Sch. 2](#))
- F9** Words in s. 821(1)(a) substituted (with effect in accordance with [Sch. 6 para. 28](#) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 6 para. 22](#)
- F10** Words in s. 821(1)(a) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 266](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F11** Words in s. 821(1)(a) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 330\(f\)](#), [Sch. 3](#) (with [Sch. 2](#))
- F12** S. 821(3)(a) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 205\(a\)](#) (with [Sch. 2](#))
- F13** S. 821(3)(aa) inserted (1.8.1989) by [Copyright, Designs and Patents Act 1988 \(c. 48\)](#), [Sch. 7 para. 36\(7\)](#); S.I. 1989/816 art. 2
- F14** S. 821(3)(aa) and word repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 205\(b\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F15** S. 821(3)(c) and preceding word repealed (with effect in accordance with [Sch. 18 Pt. 6\(2\)](#) Note of the repealing Act) by [Finance Act 1997 \(c. 16\)](#), [Sch. 18 Pt. 6\(2\)](#)

#### Marginal Citations

- M2** Source—1970 s.521; 1972 Sch.24 29; 1983 s.27.

## 822 Over-deductions from interest on loan capital etc. made before passing of annual Act. **U.K.**

- <sup>M3</sup>(1) If in any year of assessment (“the year”) a resolution having statutory effect under the Provisional Collection of Taxes Act 1968 provides for the charging of income tax at

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a [<sup>F16</sup>lower rate less] than that charged for the previous year, the following provisions of this section shall have effect with respect to deductions in respect of income tax by any body corporate, from payments of interest (not being a distribution) on any of its securities.

- (2) Any deduction which was made before the expiration of one month from the passing of the resolution and which would, if the tax had been renewed at the rate imposed for the previous year, have been a legal deduction, shall be deemed to be a deduction rendered legal by section 2 of the Provisional Collection of Taxes Act 1968 and that section shall, subject to this section, apply accordingly.
- (3) Any over-deduction to be made good under that section may be made good by a reduction of the amount of tax deducted from the next payment of like nature made on the security in question after the passing of the Act imposing the tax for the year.
- (4) Any amount made good under section 2 of the Provisional Collection of Taxes Act 1968 shall—
  - (a) in the case of an over-deduction which is made good under subsection (3) above, enure to the benefit of the person entitled to the payment on the occasion of which the over-deduction is made good; and
  - (b) in any other case, enure to the benefit of the person entitled to the security in question at the date when the amount is made good,
 irrespective, in either case, of whether or not he is the person who was entitled to the payment, or to the security at the date when the original deduction was made.
- (5) Subsection (3) above shall not authorise the retention of any part of the amount over-deducted for more than one year from the passing of the Act imposing the tax for the year.

#### Textual Amendments

**F16** Words in s. 822(1) substituted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by Finance Act 1996 (c. 8), Sch. 6 para. 23

#### Marginal Citations

**M3** Source—1970 s.522; 1971 Sch.6 76; 1972 Sch.24 30

### 823 Adjustments of reliefs where given at different times. **U.K.**

<sup>F17</sup> .....

#### Textual Amendments

**F17** S. 823 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 206, Sch. 3 Pt. 1 (with Sch. 2)

### 824 Repayment supplements: individuals and others. **U.K.**

[<sup>F18</sup>(1) Subject to the following provisions of this section, a repayment made by the Board or an officer of the Board of any of the following, namely—

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- (a) an amount paid on account of income tax under section 59A of the Management Act;
  - (b) any income tax paid by or on behalf of an individual for a year of assessment;
  - (c) a surcharge imposed under section 59C of that Act; and
  - (d) a penalty incurred by an individual under any of the provisions of that Act,
- shall be increased under this section by an amount (a “repayment supplement”) equal to interest on the amount repaid at the rate applicable under section 178 of the Finance Act 1989 for the period (if any) between the relevant time and the date on which the order for the repayment is issued.]

[<sup>F19F20</sup>(1A) . . . . .]

(2) [<sup>F21M4</sup>Subsections (1) <sup>F22</sup>. . . ] above shall with the necessary modifications apply to a payment of the whole or part of a tax credit as [<sup>F23</sup>they apply to a repayment falling within subsection (1)] of income tax paid in the year of assessment to which the tax credit relates.

[<sup>F24F25</sup>(2A) Subsection (1) above shall apply to a repayment made in consequence of a claim under section 228 of the Income Tax Act 1952 (relief in respect of income accumulated under trusts) as if the repayment were of income tax paid by the claimant for the year of assessment in which the contingency mentioned in that section happened.]

[<sup>F26</sup>(2B) Subsection (1) above shall apply to a payment made by the Board under section 375(8) (payment of amount which borrower would have been able to deduct from interest payment under section 369(1)) as if the payment were a repayment falling within that subsection.]

[<sup>F24</sup>(2C) Subsection (1) above shall apply to a repayment made by the Board as a result of a claim for relief under—

- (a) paragraph 2 of Schedule 1B to the Management Act (carry back of loss relief),
  - (b) paragraph 3 of that Schedule (relief for fluctuating profits of farming etc.), or
  - (c) Schedule 4A to this Act (relief for fluctuating profits of creative artists etc.),
- as if it were a repayment falling within that subsection.]

[<sup>F27</sup>(3) For the purposes of subsection (1) above—

[<sup>F28</sup>(aa) if the repayment is a payment made by the Board under section 375(8), the relevant time is—

- (i) if the interest payment was made in the year 1996-97 or a subsequent year of assessment, the 31st January next following that year;
- (ii) if the interest payment was made in an earlier year of assessment, the 5th April next following that year;]

[<sup>F29</sup>(ab) if the repayment is a repayment as a result of a claim for relief under any of the provisions mentioned in subsection (2C) above, the relevant time is the 31st January next following the year that is the later year in relation to the claim;]

[<sup>F30</sup>(a) if the repayment is—

- (i) the repayment of an amount paid in accordance with the requirements of section 59A of the Management Act on account of income tax for a year of assessment, or
- (ii) the repayment of income tax for such a year which is not income tax deducted at source,

the relevant time is the date of the payment that is being repaid;

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- (b) if the repayment is of income tax deducted at source for a year of assessment, the relevant time is the 31st January next following that year; and]
  - (c) if the repayment is of a penalty or surcharge, [<sup>F31</sup>the relevant time is the date on which the penalty or surcharge was paid].]
- [<sup>F32</sup>(4) For the purposes of subsection (3) above, where a repayment in respect of income tax for a year of assessment is made to any person, that repayment—
- (a) shall be attributed first to so much of any payment made by him under section 59B of the Management Act as is a payment in respect of income tax for that year;
  - (b) in so far as it exceeds the amount (if any) to which it is attributable under paragraph (a) above, shall be attributed in two equal parts to each of the payments made by him under section 59A of the Management Act on account of income tax for that year;
  - (c) in so far as it exceeds the amounts (if any) to which it is attributable under paragraphs (a) and (b) above, shall be attributed to income tax deducted at source for that year; and
  - (d) in so far as it is attributable to a payment made in instalments shall be attributed to a later instalment before being attributed to an earlier one.
- (4A) In this section any reference to income tax deducted at source for a year of assessment is a reference to—
- (a) income tax deducted or treated as deducted from any income, or treated as paid on any income, in respect of that year, and
  - (b) amounts which, in respect of that year, are tax credits to which [<sup>F33</sup>section 397(1) [<sup>F34</sup>or 397A(2)] of ITTOIA 2005] applies,
- but does not include a reference to amounts which, in that year, are deducted at source under [<sup>F35</sup>PAYE regulations] in respect of previous years.]
- (5) <sup>F36</sup> .....
- (6) [<sup>F37</sup><sup>F38</sup> . . . ] The Treasury may by order from time to time increase or decrease the rate of interest by reference to which—
- (a) repayment supplements are calculated under subsection (1) above; and
  - (b) repayment supplements are calculated under section 47 of the Finance (No. 2) Act 1975.
- (7) A repayment supplement shall not be payable under this section in respect of a repayment or payment made in consequence of an order or judgment of a court having power to allow interest on the repayment or payment, or in respect of a repayment of a post-war credit within the meaning of the Income Tax (Repayment of Post-War Credits) Act 1959.
- (8) <sup>F39</sup> .....
- (9) <sup>M5</sup>Subsections (1) [<sup>F40</sup>to (7)] above shall apply in relation to <sup>F41</sup> . . . [<sup>F42</sup>the trustees of a settlement][<sup>F43</sup>, scheme administrators of registered pension schemes sub-scheme administrators of sub-schemes which form part of a split scheme pursuant to the Registered Pensions (Splitting of Schemes) Regulations 2006][<sup>F44</sup>or personal representatives <sup>F41</sup> . . . ] as they apply in relation to an individual.
- (10) <sup>F45</sup> .....

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## Textual Amendments

- F18** S. 824(1) substituted (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the amending Act) by Finance Act 1994 (c. 9), **Sch. 19 para. 41(1)**; S.I. 1998/3173, **art. 2**
- F19** S. 824(1A) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, **7(b)**
- F20** S. 824(1A) repealed (from 18.8.1989) by Finance Act 1989 (c. 26), ss. 178(7), 187, **Sch. 17 Pt. 10**, Note; S.I. 1989/1298
- F21** Words in s. 824(2) substituted (retrospectively) by Finance Act 1988 (c. 39) s. 146, Sch.13 para.7(c)
- F22** Words in s. 824(2) repealed (on and after 18.8.1989) by Finance Act 1989 (c. 26), ss. 178(7), 187, **Sch.17 Part 10**; S.I. 1989/1298
- F23** Words in s. 824(2) substituted (retrospectively) by Finance Act 1988 (c. 39), s. 146, **Sch.13 para.7(c)**
- F24** S. 824(2C) inserted (with effect in accordance with s. 90(4) of the amending Act) by Finance Act 2001 (c. 9), **s. 90(2)**
- F25** S. 824(2A) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, **7(d)**
- F26** S. 824(2B) inserted (retrospectively, with effect in accordance with s. 41(4)-(6) of the amending Act) by Finance Act 1999 (c. 16), **s. 41(2)**
- F27** S. 824(3) substituted (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the amending Act) by Finance Act 1994 (c. 9), **Sch. 19 para. 41(2)**; S.I. 1998/3173, **art. 2**
- F28** S. 824(3)(aa) inserted (retrospectively, with effect in accordance with s. 41(4)-(6) of the amending Act) by Finance Act 1999 (c. 16), **s. 41(3)**
- F29** S. 824(3)(ab) inserted (with effect in accordance with s. 90(4) of the amending Act) by Finance Act 2001 (c. 9), **s. 90(3)**
- F30** S. 824(3)(a)(b) substituted (with effect in accordance with s. 92(6) of the amending Act) by Finance Act 1997 (c. 16), **s. 92(2)**
- F31** Words in s. 824(3)(c) substituted (with effect in accordance with s. 92(6) of the amending Act) by Finance Act 1997 (c. 16), **s. 92(3)**
- F32** S. 824(4)(A) substituted for s. 824(4) (with effect in accordance with s. 92(6) of the amending Act) by Finance Act 1997 (c. 16), **s. 92(4)**
- F33** Words in s. 824(4A)(b) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 331(2)** (with Sch. 2)
- F34** Words in s. 824(4A)(b) inserted (with effect in accordance with s. 34(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 12 para. 15**
- F35** Words in s. 824(4A) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), **Sch. 6 para. 104** (with Sch. 7)
- F36** S. 824(5) repealed (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the repealing Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(3)(a), **Sch. 26 Pt. 5(23)**, Note 3; S.I. 1998/3173, **art. 2**
- F37** Words in s. 824(6) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, **7(f)**
- F38** Words in s. 824(6) repealed (from 18.8.1989) by Finance Act 1989 (c. 26), ss. 178(7), 187, **Sch. 17 Pt. 10**, Note; S.I. 1989/1298
- F39** S. 824(8) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 331(3), **Sch. 3** (with Sch. 2)
- F40** Words in s. 824(9) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 331(4)** (with Sch. 2)
- F41** Words in s. 824(9) repealed (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the repealing Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(3)(b), **Sch. 26 Pt. 5(23)**, Note 3; S.I. 1998/3173, **art. 2**
- F42** Words in s. 824(9) substituted (1989-90 and subsequent years) by Finance Act 1989 (c. 26), **s. 110(5)(6)-(9)**
- F43** Words in s. 824(9) inserted (6.4.2006) by Finance Act 2004 (c. 12), s. 284(1), **Sch. 35 para. 33** (as amended by The Registered Pension Schemes (Splitting of Schemes) Regulations 2006 (S.I. 2006/569), **regs. 1(1), 5(6)(7)**) (with Sch. 36)



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- F44** Words in s. 824(9) substituted (1989-90 and subsequent years) by Finance Act 1989 (c. 26), s. 111(4)(5)-(8)
- F45** S. 824(10) repealed (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the repealing Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(3)(c), Sch. 26 Pt. 5(23), Note 3; S.I. 1998/3173, art. 2

#### Modifications etc. (not altering text)

- C2** S. 824 excluded (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by Finance Act 1993 (c. 34), ss. 173, 184(3), Sch. 19 Pt. III para. 13(4)
- C3** S. 824 excluded (2.1.1996) by The Lloyd's Underwriters (Gilt-edged Securities) (Periodic Accounting for Tax on Interest) Regulations 1995 (S.I. 1995/3225), reg. 12(2) (with reg. 13)
- C4** S. 824 excluded (27.12.2005 with effect in accordance with reg. 1(2) of the affecting S.I.) by The Lloyd's Underwriters (Tax) Regulations 2005 (S.I. 2005/3338), regs. 1(1), 14(4)
- C5** S. 824(3) modified (22.7.2004) by Finance Act 2004 (c. 12), s. 108

#### Marginal Citations

- M4** Source—1975 (No.2) s.47(3)(a)
- M5** Source—1975 (No.2) s.47(11), (12).

## 825 Repayment supplements: companies. U.K.

- (1) <sup>M6</sup>This section applies to the following payments made to a company in connection with any accounting period for which the company was resident in the United Kingdom (“the relevant accounting period”), that is to say—
- a repayment of corporation tax paid by the company for that accounting period (including advance corporation tax paid in respect of distributions made by the company in that accounting period and any sum paid in respect of that period on an assessment under section 430(7)(a)) <sup>F46</sup>; or
  - a repayment of income tax in respect of a payment received by the company in that accounting period on which the company bore income tax by deduction; or
  - a payment of the whole or part of the tax credit comprised in any franked investment income received by the company in that accounting period.
- (2) Subject to the following provisions of this section, where a payment <sup>F47</sup>. . . to which this section applies is made by the Board or an inspector after the end of the 12 months beginning with the material date, the payment shall be increased under this section by an amount (a “repayment supplement”) equal to interest on the amount paid at the [<sup>F48</sup>rate applicable under section 178 of the Finance Act 1989] for each complete tax month contained in the period (if any) beginning with the relevant date and ending at the end of the tax month in which the order for the payment is issued.
- <sup>F49</sup>(2A) *In relation to any complete tax month beginning before 6th April 1974 which is contained in the last-mentioned period, subsection (2) above shall have effect as if the rate of interest specified in it were 6 per cent. per annum (instead of the rate so specified or any other rate in force by virtue of subsection (5) below or section 48(6) of the Finance (No.2) Act 1975).* <sup>F50</sup>
- (3) <sup>M7</sup>For the purposes of subsection (2) above—
- if the payment is a repayment of corporation tax that was paid on or after the first anniversary of the material date, the relevant date is the anniversary of the material date that occurs next after the date on which that tax was paid;



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- (b) in any other case, the relevant date is the first anniversary of the material date; and where a payment to which this section applies is a repayment of corporation tax paid by a company on different dates, the payment shall as far as possible be treated for the purposes of this subsection as a repayment of tax paid on a later rather than an earlier date among those dates.
- (4) For the purposes of this section—
- (a) a repayment of corporation tax made in consequence of a claim by a company under section 239(3) to have the whole or any part of an amount of surplus advance corporation tax arising in the case of any accounting period treated as if it were advance corporation tax paid in respect of distributions made by the company in any earlier accounting period shall be treated as a repayment of corporation tax paid for the accounting period in the case of which that amount of surplus advance corporation tax arose; and
- (b) a repayment of income tax or corporation tax made on a claim under subsection (4) of section 419 shall be treated as if it were a repayment of corporation tax paid for the accounting period in which the repayment of, or of the part in question of, the loan or advance mentioned in that subsection was made. <sup>F51</sup>and
- (c) a repayment of corporation tax or income tax falling to be made as a result of a claim under section 393A(1) to have the whole or any part of a loss incurred in an accounting period set off against profits of an earlier accounting period (“the earlier period”)—
- (i) shall, in a case where the earlier period falls wholly within the period of twelve months immediately preceding the accounting period in which the loss was incurred, be treated as a repayment of tax paid for the earlier period; and
- (ii) in any other case, shall be treated as a repayment of tax paid for the accounting period in which the loss is incurred; and
- <sup>F52</sup>(d) .....]
- (5) <sup>F53</sup>*Without prejudice to subsection (2A) above*] the Treasury may by order from time to time increase or decrease the rate of interest by reference to which repayment supplements are calculated under subsection (2) above.
- (6) A repayment supplement shall not be payable under this section in respect of a payment made in consequence of an order or judgment of a court having power to allow interest on the payment.
- (7) A repayment supplement paid under this section shall be disregarded for all purposes of income tax and corporation tax.
- (8) In this section—
- “tax month” means the period beginning with the 6th day of any calendar month and ending with the 5th day of the following calendar month;
- “the material date” in relation to a payment to which this section applies, means the last date on which corporation tax on any of the profits of the company in question arising in the relevant accounting period could have been paid—
- (a) in a case where section 10(1) applies, within the nine months there mentioned;

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- (b) in a case where section 478 applies, within the time limit imposed by subsection (2)(a) of that section, but subject to subsection (6) of that section.

- (9) This section has effect subject to section 826(8).

#### Textual Amendments

- F46** Words in s. 825(1)(a) repealed (for accounting periods beginning after 31.3.1989) by Finance Act 1989 (c. 26), s. 187, **Sch. 17 Pt. V**, Note 6
- F47** Words in s. 825(2) repealed (with effect in relation to payments made on and after 6.4.1993) by Finance Act 1989 (c. 26), ss. 158(2), 187, **Sch. 17 Pt. 8**, Note 5; S.I. 1993/753
- F48** Words in s. 825(2) substituted (from 18.8.1989) by Finance Act 1989 (c. 26), s. 179(1)(a)(vii); S.I. 1989/1298
- F49** S. 825(2A) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, **8(a)**
- F50** Repealed by 1989 s.178(7) and 187 and Sch.17 Part X from 18 August 1989 (see S.I. 1989 No.1298).
- F51** Words in s. 825(4) added by Finance Act 1991 (c. 31, SIF 63:1), s. 73(3)(4)(5), **Sch. 15 para.22**
- F52** S. 825(4)(d) repealed (with effect in accordance with s. 20 of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), **Sch. 8 Pt. 2(4)**, Note
- F53** Words in s. 825(2A) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, **8(b)**

#### Modifications etc. (not altering text)

- C6** S. 825(4)(a) modified (27.7.1993) by Finance Act 1993 (c. 34), s. 120, **Sch. 14 para. 10(6)**  
S. 825(4)(a) modified (1.5.1995) by Finance Act 1995 (c. 4), s. 120, **Sch. 24 para. 12(5)**
- C7** See Table I in Vol.1 and see 1989 s.178 for further regulation making powers and Part III Vol.5 for regulations.
- C8** And see Sch.30 para.1(9).

#### Marginal Citations

- M6** Source—1975 (No.2) s.48(1), (2)
- M7** Source—1975 (No.2) s.48(4)-(9)

## 826 Interest on tax overpaid. **U.K.**

<sup>M8</sup>(1) In any case where—

- (a) a repayment falls to be made of corporation tax paid by a company for an accounting period which ends after the appointed day; or
- <sup>F54</sup>(aa) a repayment falls to be made under sections 246N and 246Q of advance corporation tax paid by a company in respect of distributions made by it in such an accounting period; or]
- (b) a repayment of income tax falls to be made in respect of a payment received by a company in such an accounting period; or
- (c) a payment falls to be made to a company of the whole or part of the tax credit comprised in any franked investment income received by the company in such an accounting period [<sup>F55</sup>, or
- (d) a payment of R&D tax credit falls to be made to a company under [<sup>F56</sup>Chapter 2 or 7 of Part 13 of CTA 2009] in respect of an accounting period][<sup>F57</sup>; or
- <sup>F58</sup> [<sup>F59</sup> ..... ]
- <sup>F58</sup>(da)

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- (e) a payment of land remediation tax credit or life assurance company tax credit falls to be made to a company under [F60Part 14 of CTA 2009] in respect of an accounting period][F61; or
- (f) a payment of film tax credit falls to be made to a company][F62, or
- (g) a payment of first-year tax credit falls to be made to a company under Schedule A1 to the Capital Allowances Act,]

then, from the material date until [F63the order for repayment or payment is issued], the repayment or payment shall carry interest at the rate which, under section 89 of the Management Act, is for the time being the prescribed rate for the purposes of this section.

- (2) [F64Subject to section 826A(2),] in relation to corporation tax paid by a company for an accounting period, the material date for the purposes of this section is the date on which corporation tax was paid or, if it is later, the date on which corporation tax for that accounting period became (or, as the case may be, would have become) due and payable in accordance with [F65section 59D of the Management Act (payment of corporation tax)].

[F66(2A) F67 . . . . .]

- (3) In relation to a repayment of income tax falling within subsection (1)(b) above or a payment of the whole or part of a tax credit falling within subsection (1)(c) above, [F68the material date is the day after the end of the accounting period] in which the payment referred to in subsection (1)(b) above or, as the case may be, the franked investment income referred to in subsection (1)(c) above was received by the company.

[F69(3A) In relation to a payment of R&D tax credit falling within subsection (1)(d) above the material date is whichever is the later of—

- (a) the filing date for the company’s company tax return for the accounting period for which the R&D tax credit is claimed, and
- (b) the date on which the company tax return or amended company tax return containing the claim for payment of the R&D tax credit is delivered to the Inland Revenue.

For this purpose “the filing date”, in relation to a company tax return, has the same meaning as in Schedule 18 to the M9Finance Act 1998.]

[F70(3AA) F71 . . . . .]

[F72(3B) In relation to a payment of land remediation tax credit or life assurance company tax credit falling within subsection (1)(e) above the material date is whichever is the later of—

- (a) the filing date for the company’s company tax return for the accounting period for which the land remediation tax credit or the life assurance company tax credit is claimed, and
- (b) the date on which the company tax return or amended company tax return containing the claim for payment of the land remediation tax credit or the life assurance company tax credit is delivered to the Inland Revenue.

For this purpose “the filing date”, in relation to a company tax return, has the same meaning as in Schedule 18 to the Finance Act 1998.]

[F73(3C) In relation to a payment of film tax credit the material date is whichever is the later of—

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- (a) the filing date for the company's company tax return for the accounting period for which the tax credit is payable, and
- (b) the date on which the company tax return or amended company tax return containing the claim for payment is delivered to an officer of Revenue and Customs.

For this purpose “the filing date”, in relation to a company tax return, has the same meaning as in Schedule 18 to the Finance Act 1998.]

[<sup>F74</sup>(3D) In relation to a payment of first-year tax credit falling within subsection (1)(g) above the material date is whichever is the later of—

- (a) the filing date for the company's company tax return for the accounting period for which the tax credit is claimed, and
- (b) the date on which the company tax return or amended company tax return containing the claim for payment of the tax credit is delivered to the Commissioners for Her Majesty's Revenue and Customs.

For this purpose “the filing date”, in relation to a company tax return, has the same meaning as in Schedule 18 to the Finance Act 1998.]

(4) For the purposes of this section a repayment of tax made on a claim under section 419(4) shall be treated as if it were a repayment of corporation tax for the accounting period in which [<sup>F75</sup>the event giving rise to entitlement to relief under section 419(4) occurred] but, in relation to such a repayment of tax, the material date for the purposes of this section is—

- [<sup>F76</sup>(a) the date when the entitlement to relief in respect of the repayment accrued, that is to say—
  - (i) where the repayment [<sup>F77</sup>, or the release or writing off,] of the loan or advance (or part thereof) occurred on or after the day mentioned in section 419(4A), the date nine months after the end of that accounting period; and
  - (ii) in any other case, the date nine months after the end of the accounting period in which the loan or advance was made;

or]

- (b) if it is later, the date on which the tax which is to be repaid was in fact paid.

(5) <sup>F78</sup> .....

[<sup>F79</sup>(5A) <sup>F78</sup> .....

(6) Where a repayment of corporation tax is a repayment of tax paid by a company on different dates, the repayment shall so far as possible be treated for the purposes of this section as a repayment of tax paid on a later rather than an earlier date among those dates.

(7) <sup>F80</sup> .....

[<sup>F81F82</sup>(7A) In any case where—

- (a) a company carrying on a trade incurs a loss in the trade in an accounting period (“the later period”),
- (b) as a result of a claim under section 393A(1), the whole or any part of that loss is set off [<sup>F83</sup>(whether under section 393A(1) or 393B(3))] for the purposes of corporation tax against profits (of whatever description) of an earlier

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accounting period (“the earlier period”) which does not fall wholly within the period of twelve months immediately preceding the later period, and

- (c) a repayment falls to be made of corporation tax paid for the earlier period or of income tax in respect of a payment received by the company in that accounting period,

then, in determining the amount of interest (if any) payable under this section on the repayment referred to in paragraph (c) above, no account shall be taken of [<sup>F84</sup>so much of the amount of that repayment as falls to be made] as a result of the claim under section 393A(1), except so far as concerns interest for any time after the date on which any corporation tax for the later period became (or, as the case may be, would have become) due and payable, [<sup>F85</sup>as mentioned in subsection (7D) below].

[<sup>F81</sup>(7AA) <sup>F86</sup>.....]

<sup>F87</sup>(7B).....

[<sup>F88</sup>(7BB) Subject to subsection (7BC) below, in any case where—

- (a) within the meaning of section 806D, any relievable underlying tax or relievable withholding tax arises in an accounting period of a company (“the later period”),
- (b) pursuant to a claim under section 806G, the whole or any part of that tax is treated as mentioned in section 806D(4)(c) or (5)(c) in relation to the single related dividend or the single unrelated dividend arising in an earlier accounting period (“the earlier period”), and
- (c) a repayment falls to be made of corporation tax paid for the earlier period or of income tax in respect of a payment received by the company in that period,

then, in determining the amount of interest (if any) payable under this section on the repayment referred to in paragraph (c) above, no account shall be taken of so much of the amount of the repayment as falls to be made as a result of the claim under section 806G, except so far as concerns interest for any time after the date on which any corporation tax for the later period became due and payable (as mentioned in subsection (7D) below).

(7BC) Where, in a case falling within subsection (7A)(a) and (b) above—

- (a) as a result of the claim under section 393A(1), an amount or increased amount of eligible unrelieved foreign tax arises for the purposes of section 806A(1), and
- (b) pursuant to a claim under section 806G, the whole or any part of an amount of relievable underlying tax or relievable withholding tax is treated as mentioned in section 806D(4)(c) or (5)(c) in relation to the single related dividend or the single unrelated dividend arising in an accounting period before the earlier period,

then subsection (7BB) above shall have effect in relation to the claim under section 806G as if the reference in the words after paragraph (c) to the later period within the meaning of that subsection were a reference to the period which, in relation to the claim under section 393A(1), would be the later period for the purposes of subsection (7A) above.]

[<sup>F89</sup>(7C) In a case where—

- (a) there is for an accounting period of a company (“the later period”) [<sup>F90</sup>a non-trading deficit on the company’s loan relationships,]

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- (b) as a result of a claim under [<sup>F91</sup>[<sup>F92</sup>section 389(1) or 459(1)(b) of CTA 2009] the whole or part of the deficit for the later period is set off against profits] of an earlier accounting period (“the earlier period”), and
- (c) a repayment falls to be made of corporation tax for the earlier period [<sup>F93</sup>or of income tax in respect of a payment received by the company in that accounting period],

then, in determining the amount of interest (if any) payable under this section on the [<sup>F94</sup>repayment referred to in paragraph (c) above, no account shall be taken of so much of the amount of the repayment as falls to be made as a result of] the claim under [<sup>F95</sup>section 389(1) or 459(1)(b) of CTA 2009] except so far as concerns interest for any time after the date on which any corporation tax for the later period became (or, as the case may be, would have become) due and payable, [<sup>F85</sup>as mentioned in subsection (7D) below].]

[<sup>F98</sup>(7D) In subsections (7), (7A), (7B) [<sup>F99</sup>, (7BB)] and (7C) above, any reference to the date on which corporation tax for an accounting period became, or would have become, due and payable shall be construed on the basis that corporation tax for an accounting period becomes due and payable on the day following the expiry of nine months from the end of the accounting period.]

[<sup>F100</sup>(7E) The power conferred by section 59E of the Management Act (alteration of date on which corporation tax becomes due and payable) does not include power to make provision in relation to subsection (7), (7A), (7B), [<sup>F101</sup>(7BB)], (7C) or (7D) above the effect of which would be to change the meaning of references in subsection (7), (7A), (7B) [<sup>F101</sup>, (7BB)] or (7C) above to the date on which corporation tax for an accounting period became, or would have become, due and payable (as mentioned in subsection (7D) above).]

(8) In consequence of the preceding provisions of this section, no repayment supplement (within the meaning of section 825) shall be paid in respect of any repayment of tax or payment of tax credit where the relevant accounting period (within the meaning of that section) ends after the appointed day.

[<sup>F102</sup>(8A) Where—

- (a) interest has been paid to a company under subsection (1)(a) [<sup>F103</sup>[<sup>F104</sup>, (d)] [<sup>F105</sup>[<sup>F106</sup>, (e) or (f)]] above,

[<sup>F107</sup>(b) there is—

- (i) a change in the company’s assessed liability to corporation tax, or
- (ii) a change in the amount of the R&D tax credit [<sup>F108</sup>[<sup>F109</sup> . . . ] [<sup>F110</sup>, land remediation tax credit or life assurance company tax credit] [<sup>F111</sup> or film tax credit] [<sup>F112</sup> or first-year tax credit under Schedule A1 to the Capital Allowances Act] payable to the company (which does not result in a change falling within sub-paragraph (i)),

other than a change which in whole or in part corrects an error made by the Board or an officer of the Board, and]

- (c) as a result only of that change (and, in particular, not as a result of any error in the calculation of the interest), it appears to an officer of the Board that the interest ought not to have been paid, either at all or to any extent,

the interest that ought not to have been paid may be recovered from the company as if it were interest charged under Part IX of the Management Act (interest on overdue tax).

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(8B) For the purposes of subsection (8A) above, the cases where there is a change in a company's assessed liability to corporation tax are those cases where—

- (a) an assessment, or an amendment of an assessment, of the amount of corporation tax payable by the company for the accounting period in question is made, or
- (b) a determination of that amount is made under paragraph 36 or 37 of Schedule 18 to the Finance Act 1998 (which until superseded by a self-assessment under that Schedule has effect as if it were one),

whether or not any previous assessment or determination has been made.

[ For the purposes of subsection (8A)(b) above, the cases where there is a change in  
<sup>F113</sup>(8BA) the amount of the R&D tax credit [<sup>F114F115</sup> . . . ]<sup>F116</sup>, the land remediation tax credit or the life assurance company tax credit]<sup>F117</sup> or film tax credit]<sup>F118</sup> or first-year tax credit under Schedule A1 to the Capital Allowances Act] payable to the company are those cases where an assessment, or an amendment to an assessment, is made to recover an amount of R&D tax credit [<sup>F114F115</sup> . . . ]<sup>F119</sup>, land remediation tax credit or life assurance company tax credit]<sup>F117</sup> or film tax credit]<sup>F118</sup> or first-year tax credit under Schedule A1 to the Capital Allowances Act] paid to the company for the accounting period in question.]

(8C) In subsection (8A)(b) above “error” includes—

- (a) any computational error; and
- (b) the allowance of a claim or election which ought not to have been allowed.]

(9) In this section “the appointed day” means such day or days, not being earlier than 31st March 1992, as the Treasury may by order appoint for the purposes of this section.

#### Subordinate Legislation Made

P1 S. 826(1)(8)(9) power exercised: 30.9.1993 appointed by S.I. 1992/3066, **art. 2(2)(b)**

#### Textual Amendments

- F54 S. 826(1)(aa) inserted (3.5.1994) by Finance Act 1994 (c. 9), **Sch. 16 para. 20(2)**
- F55 S. 826(1)(d) and preceding word inserted (with effect in accordance with s. 69(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 21 para. 1(2)**
- F56 Words in s. 826(1)(d) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(2)(a)** (with Sch. 2 Pts. 1, 2, para. 56)
- F57 S. 826(1)(e) and preceding word inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(2)**
- F58 S. 826(1)(da) inserted (with effect in accordance with Sch. 14 para. 5 of the amending Act) by Finance Act 2002 (c. 23), **Sch. 14 para. 1(2)**
- F59 S. 826(1)(da) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(2)(b)**, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2, para. 56)
- F60 Words in s. 826(1)(e) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(2)(c)** (with Sch. 2 Pts. 1, 2, para. 56)
- F61 S. 826(1)(f) and preceding word inserted (1.1.2007) by Finance Act 2006 (c. 25), s. 53(1), **Sch. 5 para. 26(2)**; S.I. 2006/3399, **art. 2**
- F62 S. 826(1)(g) and preceding word inserted (with effect in accordance with Sch. 25 para. 9 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 25 para. 7(2)**
- F63 Words in s. 826(1) substituted (retrospectively) by Finance Act 1989 (c. 26), **s. 180(6)(7)**
- F64 Words in s. 826(2) inserted (31.7.1998) by Finance Act 1998 (c. 36), **Sch. 4 para. 1(1)**



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- F65** Words in s. 826(2) substituted (with effect in accordance with s. 199(2) of the amending Act) by Finance Act 1994 (c. 9), **Sch. 19 para. 42**; S.I. 1998/3173, **art. 2**
- F66** S. 826(2A) inserted (3.5.1994) by Finance Act 1994 (c. 9), **Sch. 16 para. 20(3)**
- F67** S. 826(2A) repealed (with effect in accordance with Sch. 3 para. 38(5) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 38(2), **Sch. 27 Pt. 3(2)**, Note
- F68** Words in s. 826(3) substituted (with effect in accordance with Sch. 4 para. 2(2) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 2(1)**
- F69** S. 826(3A) inserted (with effect in accordance with s. 69(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 21 para. 1(3)**
- F70** S. 826(3AA) inserted (with effect in accordance with Sch. 14 para. 5 of the amending Act) by Finance Act 2002 (c. 23), **Sch. 14 para. 1(3)**
- F71** S. 826(3AA) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 267(3), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F72** S. 826(3B) inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(3)**
- F73** S. 826(3C) inserted (1.1.2007) by Finance Act 2006 (c. 25), s. 53(1), **Sch. 5 para. 26(3)**; S.I. 2006/3399, **art. 2**
- F74** S. 826(3D) inserted (with effect in accordance with Sch. 25 para. 9 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 25 para. 7(3)**
- F75** Words in s. 826(4) substituted (with effect in accordance with s. 90(2) of the amending Act) by Finance Act 1999 (c. 16), **s. 90(1)(a)**
- F76** S. 826(4)(a) substituted (with effect in accordance with s. 173(6) of the amending Act) by Finance Act 1996 (c. 8), **s. 173(5)**
- F77** Words in s. 826(4)(a)(i) inserted (with effect in accordance with s. 90(2) of the amending Act) by Finance Act 1999 (c. 16), **s. 90(1)(b)**
- F78** S. 826(5)(5A) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 267(4), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F79** S. 826(5A) inserted (with effect in accordance with s. 34(5) of the amending Act) by Finance Act 1998 (c. 36), **s. 34(4)**
- F80** S. 826(7) repealed (with effect in accordance with Sch. 3 para. 38(6) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 38(3), **Sch. 27 Pt. 3(2)**, Note
- F81** S. 826(7AA) inserted (27.7.1993) by 1993 c. 34, s. 120, **Sch. 14 para. 10(3)(5)**
- F82** S. 826(7A)(7B) inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 73(3)(4)(5), **Sch. 15 para. 23**
- F83** Words in s. 826(7A)(b) inserted (with effect in accordance with s. 111(3) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 35 para. 7**
- F84** Words in s. 826(7A) substituted (27.7.1993) by 1993 c. 34, s. 120, **Sch. 14 para. 10(2)**
- F85** Words in s. 826(7)(7A)(7B)(7C) substituted (with effect in accordance with Sch. 4 para. 5(5)(6) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 5(2)**
- F86** S. 826(7AA)(7CA) repealed (with effect in accordance with Sch. 3 para. 38(7) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 38(4), **Sch. 27 Pt. 3(2)**, Note
- F87** S. 826(7B) repealed (with effect in accordance with s. 20 of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), **Sch. 8 Pt. 2(4)**, Note
- F88** S. 826(7BB)(7BC) inserted (28.7.2000) by Finance Act 2000 (c. 17), **Sch. 30 para. 29(2)**
- F89** S. 826(7C) inserted (27.7.1993) by 1993 c. 34, s. 170, **Sch. 18 para. 5**
- F90** Words in s. 826(7C)(a) substituted (with effect in accordance with s. 105(1) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 14 para. 48(1)(a)** (with Sch. 15)
- F91** Words in s. 826(7C)(b) substituted (with effect in accordance with s. 105(1) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 14 para. 48(1)(b)** (with Sch. 15)
- F92** Words in s. 826(7C)(b) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(5)(a)** (with Sch. 2 Pts. 1, 2)
- F93** Words in s. 826(7C)(c) inserted (1.5.1995) by Finance Act 1995 (c. 4), **Sch. 24 para. 11(a)**
- F94** Words in s. 826(7C) substituted (1.5.1995) by Finance Act 1995 (c. 4), **Sch. 24 para. 11(b)**

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- F95** Words in s. 826(7C) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(5)(b)** (with Sch. 2 Pts. 1, 2)
- F96** S. 826(7CA) inserted (with effect in accordance with Sch. 24 para. 12(4)(5) of the amending Act) by Finance Act 1995 (c. 4), **Sch. 24 para. 12(2)**
- F97** S. 826(7AA)(7CA) repealed (with effect in accordance with Sch. 3 para. 38(7) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 38(4), **Sch. 27 Pt. 3(2)**, Note
- F98** S. 826(7D) inserted (with effect in accordance with Sch. 4 para. 5(5)(6) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 5(3)**
- F99** Words in s. 826(7D) inserted (28.7.2000) by Finance Act 2000 (c. 17), **Sch. 30 para. 29(3)**
- F100** S. 826(7E) inserted (with effect in accordance with Sch. 4 para. 5(5)(6) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 5(4)**
- F101** Words in s. 826(7E) inserted (28.7.2000) by virtue of Finance Act 2000 (c. 17), **Sch. 30 para. 29(4)**
- F102** S. 826(8A)-(8C) inserted (with effect in accordance with Sch. 4 para. 3(3) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 3(1)**
- F103** Words in s. 826(8A)(a) inserted (with effect in accordance with s. 69(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 21 para. 1(4)(a)**
- F104** Word in s. 826(8A)(a) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(6)(a)** (with Sch. 2 Pts. 1, 2)
- F105** Words in s. 826(8A)(a) inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(4)(a)**
- F106** Words in s. 826(8A)(a) substituted (1.1.2007) by Finance Act 2006 (c. 25), s. 53(1), **Sch. 5 para. 26(4)(a)**; S.I. 2006/3399, **art. 2**
- F107** S. 826(8A)(b) substituted (with effect in accordance with s. 69(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 21 para. 1(4)(b)**
- F108** Words in s. 826(8A)(b)(ii) inserted (with effect in accordance with Sch. 14 para. 5 of the amending Act) by Finance Act 2002 (c. 23), **Sch. 14 para. 1(4)(b)**
- F109** Words in s. 826(8A)(b)(ii) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 267(6)(b), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F110** Words in s. 826(8A)(b)(ii) inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(4)(b)**
- F111** Words in s. 826(8A)(b)(ii) inserted (1.1.2007) by Finance Act 2006 (c. 25), s. 53(1), **Sch. 5 para. 26(4)(b)**; S.I. 2006/3399, **art. 2**
- F112** Words in s. 826(8A)(b)(ii) inserted (with effect in accordance with Sch. 25 para. 9 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 25 para. 7(4)**
- F113** S. 826(8BA) inserted (with effect in accordance with s. 69(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 21 para. 1(5)**
- F114** Words in s. 826(8BA) inserted (with effect in accordance with Sch. 14 para. 5 of the amending Act) by Finance Act 2002 (c. 23), **Sch. 14 para. 1(5)**
- F115** Words in s. 826(8BA) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 267(7), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F116** Words in s. 826(8BA) inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(5)(a)**
- F117** Words in s. 826(8BA) inserted (1.1.2007) by virtue of Finance Act 2006 (c. 25), s. 53(1), **Sch. 5 para. 26(5)**; S.I. 2006/3399, **art. 2**
- F118** Words in s. 826(8BA) inserted (with effect in accordance with Sch. 25 para. 9 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 25 para. 7(5)**
- F119** Words in s. 826(8BA) inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(5)(b)**

**Modifications etc. (not altering text)**

- C9** S. 826 excluded (2.1.1996) by The Lloyd's Underwriters (Gilt-edged Securities) (Periodic Accounting for Tax on Interest) Regulations 1995 (S.I. 1995/3225), **reg. 12(2)** (with reg. 13)

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- C10** S. 826 applied (with modifications) (7.1.1999 in accordance with reg. 1(2) of the affecting S.I.) by [The Corporation Tax \(Instalment Payments\) Regulations 1998 \(S.I. 1998/3175\)](#), [reg. 8](#) (as amended by: [S.I. 2005/889](#), [regs. 1\(1\)\(3\)](#), [7](#); [S.I. 2011/1785](#), [regs. 1](#), [11](#); [S.I. 2017/1072](#), [regs. 1](#), [10](#))
- C11** S. 826 excluded (27.12.2005 with effect in accordance with reg. 1(2) of the affecting S.I.) by [The Lloyd's Underwriters \(Tax\) Regulations 2005 \(S.I. 2005/3338\)](#), [regs. 1\(1\)](#), [14\(4\)\(6\)\(b\)](#)

#### Marginal Citations

- M8** Source—1987 (No.2) s.87
- M9** 1998 c. 36.

### [<sup>F120</sup>826A Interest on payments in respect of corporation tax and meaning of “the material date”. **U.K.**

- (1) The Treasury may by regulations make provision applying section 826, with such modifications as may be prescribed, for the purpose of conferring on companies of such descriptions as may be prescribed a right to interest—
  - (a) on such payments made by them in respect of corporation tax as may be prescribed,
  - (b) at the rate applicable under section 178 of the <sup>M10</sup>Finance Act 1989, and
  - (c) for such period as may be prescribed,
 and for treating any such interest for the purposes, or prescribed purposes, of the Tax Acts as interest under section 826(1)(a) on a repayment of corporation tax.
- (2) The Treasury may by regulations make provision modifying section 826(2) in relation to companies of such description as may be prescribed.
- (3) Subsections (1) and (2) above do not apply in relation to companies in relation to which section 826(2) is modified or otherwise affected by regulations under section 59E of the Management Act (alteration of date on which corporation tax becomes due and payable) in relation to the accounting period to which the corporation tax in question relates.
- (4) Where the Treasury make regulations under subsection (2) above in relation to companies of any description, they may also make regulations modifying section 59DA(2) of the Management Act in relation to those companies, or any description of such companies, by varying the date before which the claim there mentioned may not be made.
- (5) Regulations under this section—
  - (a) may make different provision in relation to different cases or circumstances or in relation to companies or accounting periods of different descriptions;
  - (b) may make such supplementary, incidental, consequential or transitional provision as appears to the Treasury to be necessary or expedient.
- (6) Regulations under this section may not make provision in relation to accounting periods ending before the day appointed under section 199 of the <sup>M11</sup>Finance Act 1994 for the purposes of Chapter III of Part IV of that Act (corporation tax self-assessment).
- (7) In this section “prescribed” means prescribed by regulations made under this section.]

#### Textual Amendments

- F120** S. 826A inserted (31.7.1998) by [Finance Act 1998 \(c. 36\)](#), [Sch. 4 para. 1\(2\)](#)

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### Marginal Citations

M10 1989 c. 26.

M11 1994 c. 9.

## 827 VAT penalties etc. **U.K.**

<sup>M12</sup>(1) Where, under [<sup>F121</sup>Part IV of the Value Added Tax Act 1994], a person is liable to make a payment by way of—

- (a) penalty under any of sections [<sup>F122</sup>60 to 70]; or
- (b) interest under section [<sup>F123</sup>74]; or
- (c) surcharge under section [<sup>F123</sup>59];

the payment shall not be allowed as a deduction in computing any income, profits or losses [<sup>F124</sup>c for any corporation tax purposes (but see also subsection (3)(a) below)].

[<sup>F125</sup>(1A) Where a person is liable to make a payment by way of a penalty under any of sections 8 to 11 of the Finance Act 1994 (penalties relating to excise), that payment shall not be allowed as a deduction in computing any income, profits or losses [<sup>F124</sup>c for any corporation tax purposes (but see also subsection (3)(a) below)].]

[<sup>F126</sup>(1B) Where a person is liable to make a payment by way of—

- (a) penalty under any of paragraphs 12 to 19 of Schedule 7 to the Finance Act 1994 (insurance premium tax), or
- (b) interest under paragraph 21 of that Schedule,

the payment shall not be allowed as a deduction in computing any income, profits or losses [<sup>F124</sup>c for any corporation tax purposes (but see also subsection (3)(a) below)].]

[<sup>F127</sup>(1C) Where a person is liable to make a payment by way of—

- (a) penalty under Part V of Schedule 5 to the Finance Act 1996 (landfill tax), or
- (b) interest under paragraph 26 or 27 of that Schedule,

the payment shall not be allowed as a deduction in computing any income, profits or losses [<sup>F124</sup>c for any corporation tax purposes (but see also subsection (3)(a) below)].]

[<sup>F128</sup>(1D) Where a person is liable to make a payment by way of—

- (a) any penalty under any provision of Schedule 6 to the Finance Act 2000 (climate change levy),
- (b) interest under paragraph 70 of that Schedule (interest on recoverable overpayments etc.),
- (c) interest under any of paragraphs 81 to 85 of that Schedule (interest on climate change levy due and on interest), or
- (d) interest under paragraph 109 of that Schedule (interest on penalties),

the payment shall not be allowed as a deduction in computing any income, profits or losses [<sup>F124</sup>c for any corporation tax purposes (but see also subsection (3)(a) below)].]

[<sup>F129</sup>(1E) Where a person is liable to make a payment by way of—

- (a) any penalty under any provision of Part 2 of the Finance Act 2001 (aggregates levy),
- (b) interest under any of paragraphs 5 to 9 of Schedule 5 to that Act (interest on aggregates levy due and on interest),
- (c) interest under paragraph 6 of Schedule 8 to that Act (interest on recoverable overpayments etc.), or

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(d) interest under paragraph 5 of Schedule 10 to that Act (interest on penalties), the payment shall not be allowed as a deduction in computing any income, profits or losses [<sup>F124</sup>for any corporation tax purposes (but see also subsection (3)(a) below)].

[<sup>F130</sup>(1F) Where a person is liable to make a payment by way of a penalty under section 25 or 26 of the Finance Act 2003 (evasion of, or contravention of relevant rule relating to, certain taxes and duties under the management of the Commissioners of Customs and Excise etc) the payment shall not be allowed as a deduction in computing any income, profits or losses [<sup>F124</sup>for any corporation tax purposes (but see also subsection (3)(a) below)].

[<sup>F131</sup>(1G) Where a person is liable to make a payment by way of—  
(a) any penalty under Part 4 of the Finance Act 2003 (stamp duty land tax), or  
(b) interest under any provision of that Part,  
the payment shall not be allowed as a deduction in computing any income, profits or losses [<sup>F124</sup>for any corporation tax purposes (but see also subsection (3)(a) below)].

[<sup>F132</sup>(1H) Where a person is liable to make a payment by way of penalty under Schedule 24 to the Finance Act 2007 (penalties for errors) the payment shall not be allowed as a deduction in computing any income, profits or losses for any corporation tax purposes (but see also subsection (3)(a) below)].

(2) A sum paid to any person by way of supplement under section [<sup>F133</sup>79 of that Act] shall be disregarded for all purposes of corporation tax [<sup>F134</sup>(but see also subsection (3) (b) below)].

[<sup>F135</sup>(3) For income tax purposes—  
(a) provision corresponding to that made by this section (other than subsection (2) above) is made by sections 54 and 869 of ITTOIA 2005, and  
(b) provision corresponding to that made by subsection (2) above is made by section 777 of ITTOIA 2005 (as read with Chapter 10 of Part 6 of that Act)].

#### Textual Amendments

- F121** Words in s. 827(1) substituted (1.9.1994) by Value Added Tax Act 1994 (c. 23), s. 101(1), **Sch. 14 para. 10(2)(a)**
- F122** Words in s. 827(1)(a) substituted (1.9.1994) by Value Added Tax Act 1994 (c. 23), s. 101(1), **Sch. 14 para. 10(2)(b)**
- F123** Words in s. 827(1)(b)(c) substituted (1.9.1994) by Value Added Tax Act 1994 (c. 23), s. 101(1), **Sch. 14 para. 10(2)(c)**
- F124** Words in s. 827 substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 332(a)** (with Sch. 2)
- F125** S. 827(1A) inserted (1.11.1994 for specified purposes and 1.1.1995 otherwise) by Finance Act 1994 (c. 9), **ss. 18(7), 19(1)** (with s. 19(3)); S.I. 1994/2679, **arts. 2, 3** (with art. 4(3))
- F126** S. 827(1B) inserted (3.5.1994) by Finance Act 1994 (c. 9), **Sch. 7 para. 31**
- F127** S. 827(1C) inserted (29.4.1996) by Finance Act 1996 (c. 8), **Sch. 5 para. 40**
- F128** S. 827(1D) inserted (28.7.2000) by Finance Act 2000 (c. 17), **Sch. 7 para. 4**
- F129** S. 827(1E) inserted (11.5.2001) by Finance Act 2001 (c. 9), **s. 49(3)**
- F130** S. 827(1F) inserted (27.11.2003) by Finance Act 2003 (c. 14), **ss. 24(7), 40**; S.I. 2003/2985, **art. 2**
- F131** S. 827(1G) inserted (10.7.2003 subject to Sch. 19 to the amending Act) by Finance Act 2003 (c. 14), **Sch. 18 para. 3(6)**
- F132** S. 827(1H) added (1.4.2009) by The Finance Act 2008, Schedule 40 (Appointed Day, Transitional Provisions and Consequential Amendments) Order 2009 (S.I. 2009/571), art. 1(1), Sch. 1 paras. 9, 10



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- F133** Words in s. 827(2) substituted (1.9.1994) by Value Added Tax Act 1994 (c. 23), s. 101(1), **Sch. 14 para. 10(2)(d)**
- F134** Words in s. 827(2) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 332(b)** (with Sch. 2)
- F135** S. 827(3) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 332(c)** (with Sch. 2)

#### Marginal Citations

- M12** Source—1986 s.53.

### <sup>F136</sup>827A Territorial scope of charges under certain provisions to which section 836B applies **U.K.**

<sup>F137</sup> . . . . .]

#### Textual Amendments

- F136** S. 827A inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 333** (with Sch. 2)
- F137** S. 827A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 207, **Sch. 3 Pt. 1** (with Sch. 2)

### 828 Orders and regulations made by the Treasury or the Board. **U.K.**

- (1) <sup>M13</sup>Subject to [<sup>F138</sup>subsections (2) and (5)] below, any power of the Treasury or the Board to make any order or regulations under this Act or under any [<sup>F139</sup>provision of the Corporation Tax Acts not contained in this Act] (including enactments passed after this Act) shall be exercisable by statutory instrument.
- (2) Subsection (1) above shall not apply in relation to any power conferred by [<sup>F140</sup>section [<sup>F141</sup>587B(9ZA) or] [<sup>F142</sup> . . . 841A]] [<sup>F143</sup> or section 178(5) of the Finance Act 1989 [<sup>F144</sup> or paragraph 3(3) of Schedule 26 to the Finance Act 2003].]
- (3) <sup>M14</sup>Subject to [<sup>F145</sup>subsections (4) and (5)] below and to any other provision to the contrary, any statutory instrument containing any order or regulations made by the Treasury or the Board under this Act or under any [<sup>F146</sup>provision of the Corporation Tax Acts not contained in this Act] (including enactments passed after this Act) shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (4) Subsection (3) above shall not apply in relation to an order or regulations made under section <sup>F147</sup> . . . [<sup>F148F149</sup> . . . ] <sup>F150</sup> . . . <sup>F151</sup> . . . <sup>F152</sup> . . . <sup>F153</sup> . . . [<sup>F154F150</sup> . . . ] [<sup>F155</sup>590C(6)]. . . [<sup>F156</sup>791 or 840A(1)(d)] or paragraph 7 of Schedule 14 [<sup>F157F158</sup> . . . ] or—
- (a) if any other Parliamentary procedure is expressly provided;
- (b) if the order in question is an order appointing a day for the purposes of any provision of the Tax Acts, being a day as from which the provision will have effect, with or without amendments, or will cease to have effect.
- <sup>F159</sup>(5) Nothing in this section applies in relation to any of the following (in relation to which [<sup>F160</sup>section 570B of the Capital Allowances Act][<sup>F161</sup> , section 717 of ITEPA 2003 or section 1310 of CTA 2009][<sup>F162F163</sup> . . . ] applies)—
- (a) any power of the Treasury or the Board to make any order or regulations under [<sup>F164</sup>the Capital Allowances Act][<sup>F165</sup> , ITEPA 2003 or CTA 2009][<sup>F166F167</sup> . . . ];

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- (b) any statutory instrument containing any order or regulations made by the Treasury or the Board under [<sup>F168</sup>[<sup>F169</sup>any] of those Acts].]

[<sup>F170</sup>(6) Nothing in this section applies in relation to any of the following (in relation to which section 282 of the Finance Act 2004 applies)—

- (a) any power of the Treasury or the Board to make any order or regulations under Part 4 of that Act;
- (b) any statutory instrument containing any order or regulations made by the Treasury or the Board under that Part of that Act.]

### Textual Amendments

- F138** Words in s. 828(1) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by *Income Tax (Earnings and Pensions) Act 2003 (c. 1)*, **Sch. 6 para. 105(2)** (with Sch. 7)
- F139** Words in s. 828(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by *Income Tax Act 2007 (c. 3)*, **Sch. 1 para. 208(2)** (with Sch. 2)
- F140** Words in s. 828(2) substituted (with effect in accordance with Sch. 7 para. 32 of the amending Act) by *Finance Act 1996 (c. 8)*, **Sch. 7 para. 24**
- F141** Words in s. 828(2) inserted (19.7.2007) by *Finance Act 2007 (c. 11)*, **Sch. 26 para. 7(8)**
- F142** Words in s. 828(2) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by *Income Tax Act 2007 (c. 3)*, Sch. 1 para. 208(3), **Sch. 3 Pt. 1** (with Sch. 2)
- F143** 1989 s.178(6).
- F144** Words in s. 828(2) inserted (21.7.2008) by *Finance Act 2008 (c. 9)*, Sch. 16 paras. 3(2), **11(4)** (with Sch. 16 para. 11(5)(6))
- F145** Words in s. 828(3) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by *Income Tax (Earnings and Pensions) Act 2003 (c. 1)*, **Sch. 6 para. 105(3)** (with Sch. 7)
- F146** Words in s. 828(3) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by *Income Tax Act 2007 (c. 3)*, **Sch. 1 para. 208(4)** (with Sch. 2)
- F147** Words in s. 828(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by *Income Tax Act 2007 (c. 3)*, Sch. 1 para. 208(5)(a), **Sch. 3 Pt. 1** (with Sch. 2)
- F148** Words in s. 828(4) inserted (10.7.2003) by *Finance Act 2003 (c. 14)*, **s. 180(2)**
- F149** Words in s. 828(4) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by *Corporation Tax Act 2009 (c. 4)*, Sch. 1 para. 269(2), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F150** Words in s. 828(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by *Income Tax Act 2007 (c. 3)*, Sch. 1 para. 208(5)(b), **Sch. 3 Pt. 1** (with Sch. 2)
- F151** Words in s. 828(4) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by *Income Tax (Trading and Other Income) Act 2005 (c. 5)*, Sch. 1 para. 334(2), **Sch. 3** (with Sch. 2)
- F152** Words in s. 828(4) repealed (3.5.1994) by *Finance Act 1994 (c. 9)*, **Sch. 26 Pt. 5(19)**
- F153** Words in s. 828(4) repealed (with effect in accordance with Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by *Finance Act 1999 (c. 16)*, **Sch. 20 Pt. 3(7)**
- F154** Words in s. 828(4) inserted by *Finance Act 1991 (c. 31, SIF 63:1)*, **s. 118(2)**
- F155** Words in s. 828(4) inserted by *Finance Act 1989 (c. 26)*, **Sch. 6 para. 16**
- F156** Words in s. 828(4) substituted (29.4.1996) by *Finance Act 1996 (c. 8)*, **Sch. 37 para. 1(2)**
- F157** Words in s. 828(4) inserted by *Capital Allowances Act 1990 (c. 1)*, **Sch. 1 para. 8(34)**
- F158** Words in s. 828(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by *Income Tax Act 2007 (c. 3)*, Sch. 1 para. 208(5)(c), **Sch. 3 Pt. 1** (with Sch. 2)
- F159** S. 828(5) added (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by *Income Tax (Earnings and Pensions) Act 2003 (c. 1)*, **Sch. 6 para. 105(4)** (with Sch. 7)
- F160** Words in s. 828(5) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by *Income Tax Act 2007 (c. 3)*, **Sch. 1 para. 208(6)(a)** (with Sch. 2)
- F161** Words in s. 828(5) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by *Corporation Tax Act 2009 (c. 4)*, **Sch. 1 para. 269(3)(a)** (with Sch. 2 Pts. 1, 2)



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- F162** Words in s. 828(5) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 334\(3\)\(a\)](#) (with [Sch. 2](#))
- F163** Words in s. 828(5) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 208\(6\)\(b\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F164** Words in s. 828(5)(a) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 208\(6\)\(c\)](#) (with [Sch. 2](#))
- F165** Words in s. 828(5)(a) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 269\(3\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F166** Words in s. 828(5)(a) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 334\(3\)\(b\)](#) (with [Sch. 2](#))
- F167** Words in s. 828(5)(a) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 208\(6\)\(d\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F168** Words in s. 828(5)(b) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 334\(3\)\(c\)](#) (with [Sch. 2](#))
- F169** Word in s. 828(5)(b) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 269\(3\)\(c\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F170** S. 828(6) inserted (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), [Sch. 35 para. 34](#) (with [Sch. 36](#))

**Modifications etc. (not altering text)**

- C12** S. 828 excluded (18.3.2010) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [ss. 372\(4\), 381\(2\)\(a\)](#) (with [Sch. 9](#))
- C13** S. 828(3) excluded by [Finance Act 2000 \(c. 17\)](#), [Sch. 22 para. 22C\(3\)](#) (as inserted (1.7.2005) by [Finance Act 2005 \(c. 7\)](#), [Sch. 7 paras. 8, 18\(1\)](#) (with [Sch. 7 paras. 19-21](#)))
- C14** S. 828(3) excluded (21.7.2009) by [Finance Act 2009 \(c. 10\)](#), [Sch. 22 para. 14\(2\)](#)
- C15** S. 828(4) modified (20.3.2007) by [Income Tax Act 2007 \(c. 3\)](#), [ss. 1030\(4\), 1034\(4\)\(b\)](#)

**Marginal Citations**

- M13** Source—1970 ss.65(5), 204, 231(3), 343 (1A); 1970(F) s.29(6), [Sch.5 2\(3\), 10](#); 1972 ss.91(3), 108(4); 1973 [Sch.16 17\(2\)](#); 1975 (No.2) ss.47(10), 48(6), 69(9), 70(8), 70A(3); 1976 ss.64(4), 64A, (4) [Sch.4 16\(2\)](#); 1980 s.24(9); [Sch.10 13\(3\)](#); 1982 ss.28(5), 29(1), (3), [Sch.7 14\(2\)](#); 1984 ss.26(1), 88(8), 126(1), [Sch.8 2\(1\)\(f\), 3A](#); 1983 [Sch.5 5A\(9\), 6\(8\)](#); 1986 s.28, 61, [Sch.11 11](#), [Sch.12 3](#), [Sch.17 6\(7\)](#).
- M14** Source—1970 ss.65(5), 204, 343(1B); 1970(F) s.29(8), [Sch.5 2\(3\), 10](#); 1973 [Sch.16 17\(2\)](#); 1975 (No.2) ss.47(10), 48(6), 69(9), 70(8), 70A(3); 1976 ss.64(4), 64A(4); 1982 s.29(5); 1983 [Sch.5 5A\(9\), 6\(9\)](#); 1984 ss.26(6), 88(8), [Sch.8 2\(1\), 3A](#); 1986 ss.26, 27(7), 55, [Sch.11 11](#), [Sch.12 3](#), [Sch.17 6\(7\)](#)

**829 Application of Income Tax Acts to public departments and avoidance of exempting provisions. U.K.**

<sup>F171</sup> .....

**Textual Amendments**

- F171** S. 829 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 209](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

**830 Territorial sea<sup>F172</sup> . . . . U.K.**

<sup>M15</sup>(1) The territorial sea of the United Kingdom shall for all purposes of<sup>F173</sup> . . . corporation tax<sup>F174</sup> . . . be deemed to be part of the United Kingdom.

(2)<sup>F175</sup> .....

*Status: Point in time view as at 01/04/2009.*

*Changes to legislation: Income and Corporation Taxes Act 1988, PART XIX is up to date with all changes known to be in force on or before 15 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (3) <sup>F175</sup> .....
- (4) <sup>F175</sup> .....
- (5) <sup>F176</sup> .....

#### Textual Amendments

- F172** Words in s. 830 title omitted (1.4.2009 with effect in accordance with art. 1(2) of the repealing S.I.) by virtue of [The Corporation Tax Act 2009 \(Amendment\) Order 2009 \(S.I. 2009/2860\)](#), **arts. 1, 3(4)(b)**
- F173** Words in s. 830(1) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 210, **Sch. 3 Pt. 1** (with Sch. 2)
- F174** Words in s. 830(1) omitted (1.4.2009 with effect in accordance with art. 1(2) of the repealing S.I.) by virtue of [The Corporation Tax Act 2009 \(Amendment\) Order 2009 \(S.I. 2009/2860\)](#), **arts. 1, 3(4)(a)**
- F175** S. 830(2)-(4) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 270, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F176** S. 830(5) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 106, **Sch. 8 Pt. 1** (with Sch. 7)

#### Marginal Citations

- M15** Source—1973 s.38(1), (2)-(4), (6)

### Interpretation

#### 831 Interpretation of this Act. **U.K.**

- (1) <sup>M16</sup> In this Act, except so far as the context otherwise requires—
- “the Corporation Tax Acts” means the enactments relating to the taxation of the income and chargeable gains of companies and of company distributions (including provisions relating also to income tax); and
  - “the Income Tax Acts” means the enactments relating to income tax, including any provisions of the Corporation Tax Acts which relate to income tax.
- (2) In this Act “the Tax Acts”, except so far as the context otherwise requires, means this Act and all other provisions of the Income Tax Acts and the Corporation Tax Acts.
- (3) In this Act—
- [<sup>F177</sup>“CTA 2009” means the Corporation Tax Act 2009;]
  - [<sup>F178</sup>“ITEPA 2003” means the Income Tax (Earnings and Pensions) Act 2003;]
  - [<sup>F179</sup>“ITTOIA 2005” means the Income Tax (Trading and Other Income) Act 2005;]
  - [<sup>F180</sup>“ITA 2007” means the Income Tax Act 2007;]
  - “the Management Act” means the Taxes Management Act 1970;
  - “the 1968 Act” means the Capital Allowances Act 1968;
  - “the 1970 Act” means the Income and Corporation Taxes Act 1970; and
  - “the 1979 Act” means the Capital Gains Tax Act 1979.
  - [<sup>F181</sup>“the 1990 Act” means the Capital Allowances Act 1990.]
  - [<sup>F182</sup>“the 1992 Act” means the Taxation of Chargeable Gains Act 1992.]

*Status: Point in time view as at 01/04/2009.*

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- (4) Section 1 of the <sup>M17</sup>Family Law Reform Act 1987, the paragraph inserted in Schedule 1 to the <sup>M18</sup>Interpretation Act 1978 by paragraph 73 of Schedule 2 to that Act and section 1(3) of the <sup>M19</sup>Law Reform (Parent and Child) (Scotland) Act 1986 (legal equality of illegitimate children) shall be disregarded in construing references in this Act to a child or to children (however expressed).
- (5) <sup>M20</sup>This Act, so far as it relates to capital gains tax, shall be construed as one with the [<sup>F183</sup>1992] Act.
- (6) Any reference in this Act to a section, Part or Schedule is a reference to that section, Part or Schedule of or to this Act, unless the context otherwise requires.

#### Textual Amendments

- F177** S. 831(3): definition of "CTA 2009" inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), **Sch. 1 para. 271** (with Sch. 2 Pts. 1, 2)
- F178** S. 831(3): definition of "ITEPA 2003" inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), **Sch. 6 para. 107** (with Sch. 7)
- F179** S. 831(3): definition of "ITTOIA 2005" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), **Sch. 1 para. 336** (with Sch. 2)
- F180** S. 831(3): definition of "ITA 2007" inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 211** (with Sch. 2)
- F181** S. 831(3): definition of "the 1990 Act" inserted by [Capital Allowances Act 1990 \(c. 1\)](#), **Sch. 1 para. 8(35)**; and that amendment continued by [Capital Allowances Act 2001 \(c. 2\)](#), s. 579, **Sch. 2 para. 59**
- F182** S. 831(3): definition of "the 1992 Act" inserted (with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 10 para. 14(53)(a)** (with ss. 60, 101(1), 171, 201(3))
- F183** Words in s. 831(5) substituted (with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 10 para. 14(53)(b)** (with ss. 60, 101(1), 171, 201(3))

#### Modifications etc. (not altering text)

- C16** S. 831(4) applied (28.7.2000) by [Finance Act 2000 \(c. 17\)](#), **Sch. 22 para. 144(2)**

#### Marginal Citations

- M16** Source—1970 s.526(1), (2); 1987 Sch.15 12
- M17** 1987 c. 42.
- M18** 1978 c. 30.
- M19** 1986 c. 9.
- M20** Source—1970 s.540(2)

### 832 Interpretation of the [<sup>F184</sup>Corporation Tax Acts etc]. **U.K.**

- (1) [<sup>F185M21</sup>In the Corporation Tax Acts, except] in so far as the context otherwise requires—

“Act” includes an Act of the Parliament of Northern Ireland and a Measure of the Northern Ireland Assembly;

<sup>F186</sup>

“authorised unit trust” has the meaning given by section 468(6);

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F187

“the Board” means the Commissioners of Inland Revenue;

“body of persons” means any body politic, corporate or collegiate, and any company, fraternity, fellowship and society of persons whether corporate or not corporate;

“building society” means a building society within the meaning of the <sup>M22</sup>Building Societies Act 1986;

“capital allowance” means any allowance under [F188]the Capital Allowances Act (including enactments which under this Act are to be treated as contained in that Act);

[F189]“the Capital Allowances Act” means the Capital Allowances Act 2001;

“chargeable gain” has the same meaning as in the [F190]1992] Act;

“chargeable period” means an accounting period of a company or a year of assessment;

“close company” has the meaning given by sections 414 and 415;

“collector” means any collector of taxes;

“company” means, subject to subsection (2) below, any body corporate or unincorporated association but does not include a partnership, a local authority or a local authority association;

“distribution” has the meaning given by Part VI with section 418;

[F191]“estate in land”, in relation to any land in Scotland, includes the land;]

“farm land” means land in the United Kingdom wholly or mainly occupied for the purposes of husbandry, but excluding any dwelling or domestic offices, and excluding market garden land, and “farming” shall be construed accordingly;

[F192]“for accounting purposes” means for the purposes of accounts drawn up in accordance with generally accepted accounting practice;]

[F193]“franked investment income” means income of a company resident in the United Kingdom which consists of a distribution in respect of which the company is entitled to a tax credit (and which accordingly represents income equal to the aggregate of the amount or value of the distribution and the amount of that credit);

F194

[F195]“generally accepted accounting practice” [F196]has the meaning given by section 50(1) of the Finance Act 2004;]

F197

F198

F199

F200

“inspector” means any inspector of taxes;

F201

[F201]“international accounting standards” has the meaning given by section 50(2) of the Finance Act 2004;]

[F202F203

[F204]“local authority association” has the meaning given by section 519;]

[F205F206

“market garden land” means land in the United Kingdom occupied as a nursery or garden for the sale of the produce (other than land used for the growth of hops) and “market gardening” shall be construed accordingly;

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“notice” means notice in writing [<sup>F207F208</sup> . . . ];

[<sup>F209</sup>“offshore installation” has the meaning given by section 837C;]

[<sup>F210</sup>“open-ended investment company”, and “authorised corporate director”, “owner of shares” and “scheme property” in relation to an open-ended investment company, have the meanings given by subsection (10) of section 468, read with subsections (11) to (18) of that section, as those subsections are added by regulation 10(4) of the Open-ended Investment Companies (Tax) Regulations 1997;

“ordinary share capital”, in relation to a company, means all the issued share capital (by whatever name called) of the company, other than capital the holders of which have a right to a dividend at a fixed rate but have no other right to share in the profits of the company;

[<sup>F211</sup> . . . . .]

[<sup>F212</sup>“period of account”—

- (a) in relation to a person, means any period for which the person draws up accounts, and
- (b) in relation to a trade, profession, vocation or other business means any period for which accounts of the business are drawn up;]

[<sup>F213</sup>“permanent establishment”, in relation to a company, has the meaning given by section 148 of the Finance Act 2003;]

[<sup>F214</sup> . . . . .]

[<sup>F215</sup>“property investment LLP” has the meaning given by section 842B;]

“qualifying distribution” has the meaning given by section 14(2);

“qualifying policy” means a policy of insurance which is a qualifying policy for the purposes of Chapter I of Part VII;

[<sup>F216F217</sup> . . . . .]

[<sup>F218</sup> . . . . .]

[<sup>F219</sup> . . . . .]

[<sup>F220</sup>“registered pension scheme” has the meaning given by section 150(2) of the Finance Act 2004;]

[<sup>F221F222</sup> . . . . .]

[<sup>F223F224</sup> . . . . .]

[<sup>F225</sup>“scheme administrator”, in relation to a pension scheme, has the meaning given by section 270 of the Finance Act 2004 (but see also sections 271 to 274 of that Act);]

[<sup>F226F227</sup> . . . . .]

[<sup>F228F229</sup> . . . . .]

[<sup>F228F229</sup> . . . . .]

[<sup>F228F229</sup> . . . . .]

[<sup>F230F231</sup> . . . . .]

[<sup>F232</sup> . . . . .]

[<sup>F233</sup>“tax credit” means—

- (a) a tax credit under section 231 [<sup>F234</sup> . . . . .]; and
- (b) [<sup>F235</sup> . . . . .].

“trade” includes every trade, manufacture, adventure or concern in the nature of trade;

[<sup>F236</sup>“tribunal” means the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal]

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[<sup>F237</sup>“UK generally accepted accounting practice” has the meaning given by section 50(4) of the Finance Act 2004;]

[<sup>F238F239</sup> .....

<sup>F240</sup> .....

“unit holder” has the meaning given by section 468(6);

[<sup>F241</sup>“unit trust scheme” has the same meaning as in the Income Tax Acts (see section 1007 of ITA 2007);]

“year of assessment” means, with reference to any income tax, the year for which such tax was granted by any Act granting income tax;

“the year 1988-89” means the year of assessment beginning on 6th April 1988, and any corresponding expression in which two years are similarly mentioned means the year of assessment beginning on 6th April in the first-mentioned of those two years;

and a source of income is within the charge to corporation tax or income tax if that tax is chargeable on the income arising from it, or would be so chargeable if there were any such income, and references to a person, or to income, being within the charge to tax, shall be similarly construed.

- (2) <sup>M23</sup> The definition of “company” is subject to section 468, and does not apply in the following provisions of this Act, that is to say—

Chapter I of Part XVII;

sections 774 to 777;

section 839;

paragraph 15 of Schedule 3;

(and also does not apply where the context otherwise requires because some other definition of “company” applies).

[ Chapter 2 of Part 9 of ITA 2007 (which relates to settlements and trustees) applies for <sup>F242</sup>(2A) the purposes of the Corporation Tax Acts as it applies for the purposes of the Income Tax Acts.]

- (3) <sup>M24</sup> Except so far as the context otherwise requires, in the Tax Acts, and in any enactment passed after 12th March 1970 which by any express provision is to be construed as one with the Tax Acts, the Corporation Tax Acts or the Income Tax Acts, “tax”, where neither income tax nor corporation tax is specified, means either of those taxes.

- (4) <sup>F243</sup> .....

[ Any reference in the [<sup>F245</sup>Corporation Tax Acts] to franked investment income received <sup>F244</sup>(4A) by a company apply to any such income received by another person on behalf of or in trust for the company, but not to any such income received by the company on behalf of or in trust for another person.]

- (5) <sup>F246</sup> .....]]]

#### Textual Amendments

**F184** Words in s. 832 sidenote substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 212\(6\)](#) (with [Sch. 2](#))

**F185** Words in s. 832(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 212\(2\)\(a\)](#) (with [Sch. 2](#))

*Status: Point in time view as at 01/04/2009.*

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- F186** S. 832(1): definition of "additional rate" repealed (with effect in accordance with Sch. 18 Pt. 6(1) Note of the repealing Act) by [Finance Act 1997 \(c. 16\)](#), **Sch. 18 Pt. 6(1)**
- F187** S. 832(1): definition of "basic rate" and "basic rate limit" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 212\(2\)\(b\)](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F188** S. 832(1): words in definition of "capital allowance" substituted (with effect in accordance with s. 579 of the amending Act) by [Capital Allowances Act 2001 \(c. 2\)](#), **Sch. 2 para. 60(a)**
- F189** S. 832(1): definition of "the Capital Allowances Act" substituted for definition of "the Capital Allowances Acts" (with effect in accordance with s. 579 of the amending Act) by [Capital Allowances Act 2001 \(c. 2\)](#), **Sch. 2 para. 60(b)**
- F190** Word in s. 832(1) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 10 para. 14(54)** (with ss. 60, 101(1), 171, 201(3)).
- F191** S. 832(1): definition of "estate in land" inserted (S.) (28.11.2004) by Abolition of Feudal Tenure etc. (Scotland) Act (asp 5), ss. 71, 77(2)(c); [S.S.I. 2003/456](#), **art. 2**
- F192** S. 832(1): definition of "for accounting purposes" inserted (with effect in accordance with s. 103(6) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), **s. 103(1)**
- F193** S. 832(1): definition of "franked investment income" substituted (with effect in accordance with [Sch. 3 para. 39\(8\)](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), **Sch. 3 para. 39(2)**
- F194** S. 832(1): definition of "franked payment" repealed (with effect in accordance with [Sch. 3 para. 39\(8\)](#) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 3 para. 39\(3\)](#), **Sch. 27 Pt. 3(2)**, Note
- F195** S. 832(1): definition of "generally accepted accounting practice" inserted (with effect in accordance with s. 103(6) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), **s. 103(1)**
- F196** S. 832(1): words in definition of "generally accepted accounting practice" substituted (with effect in accordance with s. 50(6) of the amending Act (as amended (retrospectively) by 2005 c. 7, [Sch. 4 para. 50](#), **Sch. 11 Pt. 2(7)**, Note 1)) by [Finance Act 2004 \(c. 12\)](#), **s. 50(5)(a)**
- F197** S. 832(1): definition of "group income" repealed (with effect in accordance with [Sch. 3 para. 39\(9\)](#) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 3 para. 39\(4\)](#), **Sch. 27 Pt. 3(2)**, Note
- F198** S. 832(1): definition of "higher rate" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 212\(2\)\(c\)](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F199** S. 832(1): definition of "industrial assurance business" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 212\(2\)\(d\)](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F200** S. 832(1): definition of "interest" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 212\(2\)\(e\)](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F201** S. 832(1): definition of "international accounting standards" inserted (with effect in accordance with s. 50(6) of the amending Act (as amended (retrospectively) by 2005 c. 7, [Sch. 4 para. 50](#), **Sch. 11 Pt. 2(7)**, Note 1)) by [Finance Act 2004 \(c. 12\)](#), **s. 50(5)(b)**
- F202** S. 832(1): definition of "investment LLP" and "property investment LLP" inserted (6.4.2001 with effect in accordance with s. 76(1) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), s. 76(2), **Sch. 25 para. 1(2)**
- F203** S. 832(1): definition of "investment LLP" and "property investment LLP" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 212\(2\)\(f\)](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F204** 1990 s.127 and [Sch.18 para.5\(3\)](#) on and after 1 April 1990. *Previously*  
““local authority” and “local authority association” have the meanings given by section 519;”.
- F205** S. 832(1): definition of "lower rate" inserted (16.3.1992 with application for the year 1992-93 and subsequent years of assessment) by [Finance Act 1992 \(c. 20\)](#), **s. 9(9)(10)(11)**
- F206** S. 832(1): definition of "lower rate" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 212\(2\)\(g\)](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F207** S. 832(1): words in definition of "notice" inserted (31.7.1998) by [Finance Act 1998 \(c. 36\)](#), **s. 118(10)**
- F208** S. 832(1): words in definition of "notice" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 212\(2\)\(h\)](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))



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- F209** S. 832(1): definition of "offshore installation" inserted (with effect in accordance with Sch. 27 para. 3 of the amending Act) by Finance Act 2004 (c. 12), **Sch. 27 para. 2**
- F210** S. 832(1): definitions of "open-ended investment company", "authorised corporate director", "owner of shares" and "scheme property" inserted (28.4.1997) by The Open-ended Investment Companies (Tax) Regulations 1997 (S.I. 1997/1154), **reg. 14**
- F211** S. 832(1): definition of "overseas property business" repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 272(2)(a), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F212** S. 832(1): definition of "period of account" inserted (with effect in accordance with s. 103(6) of the amending Act) by Finance Act 2002 (c. 23), **s. 103(1)**
- F213** S. 832(1): definition of "permanent establishment" inserted (10.7.2003) by Finance Act 2003 (c. 14), **s. 148(6)**
- F214** S. 832(1): definition of "preference dividend" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 212(2)(j), **Sch. 3 Pt. 1** (with Sch. 2)
- F215** S. 832(1): definition of "property investment LLP" inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 212(2)(k)** (with Sch. 2)
- F216** S. 832(1): definition of "the rate applicable to trusts" inserted (27.7.1993 with effect for the year 1993-94 and subsequent years of assessment) by 1993 c. 34, s. 79, Sch. 6 paras.15, **25(1)**
- F217** S. 832(1): definition of "the rate applicable to trusts" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 212(2)(l), **Sch. 3 Pt. 1** (with Sch. 2)
- F218** S. 832(1): definition of "the rate of advance corporation tax" repealed (with effect in accordance with Sch. 3 para. 39(9) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 39(5), **Sch. 27 Pt. 3(2)**, Note
- F219** S. 832(1): definition of "recognised clearing system" repealed (with effect in accordance with Sch. 7 para. 32 of the repealing Act) by Finance Act 1996 (c. 8), Sch. 7 para. 25, **Sch. 41 Pt. 5(2)**, Note (with Sch. 7 paras. 33-35)
- F220** S. 832(1): definition of "registered pension scheme" inserted (6.4.2006) by Finance Act 2004 (c. 12), s. 284(1), **Sch. 35 para. 35(2)** (with Sch. 36)
- F221** S. 832(1): definition of "relevant foreign income" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 337(b)** (with Sch. 2)
- F222** S. 832(1): definition of "relevant foreign income" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 212(2)(m), **Sch. 3 Pt. 1** (with Sch. 2)
- F223** S. 832(1): definition of "Schedule A business" inserted (with effect in accordance with s. 39(4)(5) of the amending Act) by Finance Act 1995 (c. 4), **Sch. 6 para. 28**
- F224** S. 832(1): definition of "Schedule A business" repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 272(2)(b), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F225** S. 832(1): definition of "scheme administrator" inserted (6.4.2006) by Finance Act 2004 (c. 12), s. 284(1), **Sch. 35 para. 35(3)** (with Sch. 36)
- F226** S. 832(1): definition of "starting rate" and "starting rate limit" inserted after the definition of "Schedule A business" (with effect in accordance with s. 22(12) of the amending Act) by Finance Act 1999 (c. 16), **s. 22(10)(b)**
- F227** S. 832(1): definition of "starting rate" and "starting rate limit" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 212(2)(n), **Sch. 3 Pt. 1** (with Sch. 2)
- F228** S. 832(1): definitions of "the Schedule F ordinary rate", "the Schedule F trust rate", and "the Schedule F upper rate" inserted (with effect in accordance with Sch. 4 para. 22(2) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), **Sch. 4 para. 22(1)**

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- F229** S. 832(1): definitions of "the dividend ordinary rate", "the dividend trust rate" and "the dividend upper rate" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 212\(2\)\(q\), Sch. 3 Pt. 1](#) (with Sch. 2)
- F230** S. 832(1): definition of "step-child" inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\), regs. 1\(1\), 99](#)
- F231** S. 832(1): definition of "step-child" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 212\(2\)\(o\), Sch. 3 Pt. 1](#) (with Sch. 2)
- F232** S. 832(1): definition of "surplus of franked investment income" repealed (with effect in accordance with Sch. 3 para. 39(8) of the repealing Act) by [Finance Act 1998 \(c. 36\), Sch. 3 para. 39\(6\), Sch. 27 Pt. 3\(2\)](#), Note
- F233** S. 832(1): definition of "tax credit" substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 337\(e\)](#) (with Sch. 2)
- F234** S. 832(1): in definition of "tax credit", words in para. (a) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 212\(2\)\(p\), Sch. 3 Pt. 1](#) (with Sch. 2)
- F235** S. 832(1): in definition of "tax credit", para. (b) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 212\(2\)\(p\), Sch. 3 Pt. 1](#) (with Sch. 2)
- F236** S. 832(1): definition of "tribunal" inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\), art. 1\(2\), Sch. 1 para. 157](#)
- F237** S. 832(1): definition of "UK generally accepted accounting practice" inserted (with effect in accordance with s. 50(6) of the amending Act (as amended (retrospectively) by 2005 c. 7, Sch. 4 para. 50, [Sch. 11 Pt. 2\(7\)](#), Note 1)) by [Finance Act 2004 \(c. 12\), s. 50\(5\)\(b\)](#)
- F238** S. 832(1): definition of "UK property business" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 337\(f\)](#) (with Sch. 2)
- F239** S. 832(1): definition of "UK property business" repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 212\(2\)\(r\), Sch. 3 Pt. 1](#) (with Sch. 2)
- F240** S. 832(1): definition of "Ulster Savings Certificates" repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 337\(g\), Sch. 3](#) (with Sch. 2)
- F241** S. 832(1): definition of "unit trust scheme" substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 212\(2\)\(s\)](#) (with Sch. 2)
- F242** S. 832(2A) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 212\(3\)](#) (with Sch. 2)
- F243** S. 832(4) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 272\(3\), Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)
- F244** S. 832(4A) inserted (with effect in accordance with Sch. 3 para. 39(8) of the amending Act) by [Finance Act 1998 \(c. 36\), Sch. 3 para. 39\(7\)](#)
- F245** Words in s. 832(4A) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 212\(4\)](#) (with Sch. 2)
- F246** S. 832(5) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 212\(5\), Sch. 3 Pt. 1](#) (with Sch. 2)

#### Marginal Citations

- M21** 1970 s.526(5), 527(1); 1971 s.32(1), (1D), Sch.8 16(3); 1976 Sch.4 11; 1972 s.93(6); 1979(C), Sch.7; 1981 s.34(5); 1987 Sch.15 2(20)
- M22** 1986 c. 53.
- M23** Source—1970 s.526(6)
- M24** Source—1970 s.526(3), (4)

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### 833 Interpretation of Income Tax Acts. **U.K.**

F247

#### Textual Amendments

**F247** S. 833 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 213, Sch. 3 Pt. 1** (with Sch. 2)

### 834 Interpretation of the Corporation Tax Acts. **U.K.**

<sup>M25</sup>(1) For the purposes of the Corporation Tax Acts, except in so far as the context otherwise requires—

“accounting date” means the date to which a company makes up its accounts <sup>F248</sup> . . . ;

“accounting period” shall be construed in accordance with [<sup>F249</sup>Chapter 2 of Part 2 of CTA 2009];

“allowable loss” does not include, for the purposes of corporation tax in respect of chargeable gains, a loss accruing to a company in such circumstances that if a gain accrued the company would be exempt from corporation tax in respect of it [<sup>F250</sup> [<sup>F251</sup> does not include a loss accruing to a company in such circumstances that if a gain accrued the company would be exempt from corporation tax in respect of it.]];

“branch or agency” means any factorship, agency, receivership, branch or management;

[<sup>F252</sup>“the charge to corporation tax on income” has the same meaning as in CTA 2009 (see section 2(3));]

[<sup>F253</sup>“chargeable profits”, in relation to a company that is not resident in the United Kingdom—

(a) for corporation tax purposes generally, has the meaning given by [<sup>F254</sup>section 19 of CTA 2009], and

(b) for the purposes of Chapter 4 of Part 17 (controlled foreign companies), has the meaning given by section 747(6);]

“charges on income” has the meaning given by section [<sup>F255</sup>338A];

[<sup>F256</sup>“derivative contract” has the same meaning as it has for the purposes of [<sup>F257</sup>Part 7 of CTA 2009];]

“the financial year 1988” means the financial year beginning with April 1988, and similarly with references embodying other dates;

“group relief” has the meaning given by section 402;

[<sup>F258</sup>“income” includes anything to which the charge to corporation tax on income applies;]

[<sup>F259</sup>“loan relationship” has the same meaning as it has for the purposes of [<sup>F260</sup>Part 5 of CTA 2009];]

“non-trading deficit”, in relation to a company’s loan relationships, shall be construed in accordance with [<sup>F261</sup>section 301 of CTA 2009];]

[<sup>F262</sup>“registered industrial and provident society” means—

(a) a society registered or treated as registered under the Industrial and Provident Societies Act 1965 or the Industrial and Provident Societies Act (Northern Ireland) 1969, or

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- (b) an SCE formed in accordance with Council Regulation (EC) No 1435/2003 on the Statute for a European Co-Operative Society;]  
[<sup>F263</sup>“statutory insolvency arrangement” means—
- (a) a voluntary arrangement that has taken effect under or as a result of the Insolvency Act 1986, Schedule 4 or 5 to the Bankruptcy (Scotland) Act 1985 or the Insolvency (Northern Ireland) Order 1989,
- (b) [<sup>F264</sup>a compromise or arrangement that has taken effect under Part 26 of the Companies Act 2006, or]
- (c) any arrangement or compromise of a kind corresponding to any of those mentioned in paragraph (a) or (b) above that has taken effect under or by virtue of the law of a country or territory outside the United Kingdom;]  
[<sup>F265</sup>“venture capital trust” has the same meaning as in Part 6 of ITA 2007.]
- (2) Section 6(4) shall also apply for the purposes of the following provisions of this Act, that is to say—
- Chapter II of Part X, except section 395;  
[<sup>F266</sup>section 76];  
section 490;  
sections 768 and 769;  
[<sup>F267</sup>section 834C.]
- <sup>F268</sup> .....
- (3) For all the purposes of the Corporation Tax Acts dividends shall be treated as paid on the date when they become due and payable, [<sup>F269</sup>except in so far as Chapter III of Part XII makes other provision for dividends treated as paid by virtue of that Chapter].
- (4) Except as otherwise provided by the Corporation Tax Acts, any apportionment to different periods which falls to be made under those Acts [<sup>F270</sup>, other than CTA 2009,] shall be made on a time basis according to the respective lengths of those periods.

#### Textual Amendments

- F248** S. 834(1): words in definition of "accounting date" repealed (24.7.2002) by [Finance Act 2002 \(c. 23\)](#), [Sch. 40 Pt. 3\(16\)](#)
- F249** S. 834(1): words in definition of "accounting period" substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 273\(2\)\(a\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F250** S. 834(1): words in definition of "allowable loss" inserted (with effect in accordance with s. 69(5) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [s. 69\(4\)](#)
- F251** S. 834(1): words in definition of "allowable loss" substituted (with effect in accordance with s. 27(6) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [s. 27\(5\)](#)
- F252** S. 834(1): definition of "the charge to corporation tax on income" inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 273\(2\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F253** S. 834(1): definition of "chargeable profits" inserted (with effect in accordance with s. 149(6) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [s. 149\(5\)](#)
- F254** S. 834(1): words in definition of "chargeable profits" substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 273\(2\)\(c\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F255** S. 834(1): words in definition of "charges on income" substituted (24.7.2002) by [Finance Act 2002 \(c. 23\)](#), [Sch. 30 para. 1\(4\)](#)

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- F256** S. 834(1): definition of "derivative contract" inserted (with effect in accordance with s. 83(3) of the amending Act) by Finance Act 2002 (c. 23), **Sch. 27 para. 13**
- F257** S. 834(1): words in definition of "derivative contract" substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 273(2)(d)** (with Sch. 2 Pts. 1, 2)
- F258** S. 834(1): definition of "income" inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 273(2)(e)** (with Sch. 2 Pts. 1, 2)
- F259** S. 834(1): definitions of "loan relationship" and "non-trading deficit" inserted (with effect in accordance with s. 105(1) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 14 para. 49** (with Sch. 15)
- F260** S. 834(1): words in definition of "loan relationship" substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 273(2)(f)** (with Sch. 2 Pts. 1, 2)
- F261** S. 834(1): words in definition of "non-trading deficit" substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 273(2)(g)** (with Sch. 2 Pts. 1, 2)
- F262** S. 834(1): definition of "registered industrial and provident society" inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 273(2)(h)** (with Sch. 2 Pts. 1, 2)
- F263** S. 834(1): definition of "statutory insolvency arrangement" inserted (with effect in accordance with s. 80(3)(4) of the amending Act) by Finance Act 2005 (c. 7), **Sch. 4 para. 8**
- F264** S. 834(1): in definition of "statutory insolvency arrangement", para. (b) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2008 (S.I. 2008/954), **arts. 1(1), 13** (with art. 4)
- F265** S. 834(1): definition of "venture capital trust" inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 214** (with Sch. 2)
- F266** Words in s. 834(2) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 273(3)(a)** (with Sch. 2 Pts. 1, 2)
- F267** Words in s. 834(2) inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 273(3)(b)** (with Sch. 2 Pts. 1, 2)
- F268** Words in s. 834(2) repealed (with effect in accordance with s. 579 of the repealing Act) by Capital Allowances Act 2001 (c. 2), Sch. 2 para. 61, **Sch. 4**
- F269** Words in s. 834(3) substituted (with effect in accordance with Sch. 14 para. 7 of the amending Act) by Finance Act 1994 (c. 9), **Sch. 14 para. 6**
- F270** Words in s. 834(4) inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 273(4)** (with Sch. 2 Pts. 1, 2)

#### Modifications etc. (not altering text)

- C17** S. 834(1): definition of "allowable loss" excluded (with effect in accordance with s. 63(4) of the excluding Act) by Finance Act 2000 (c. 17), **Sch. 15 para. 94(4)**

#### Marginal Citations

- M25** Source—1970 s.527.

### [<sup>F271</sup>834A] Miscellaneous charges (list for the purposes of certain provisions that formerly referred to Case VI of Schedule D) **U.K.**

- (1) In the Corporation Tax Acts references to any provision to which this section applies are references to any provision listed in the following table, so far as the provision relates to corporation tax (but subject to any applicable limitation in subsection (3)).
- (2) This is the table—

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## PART 1

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<b><i>Provisions of this Act</i></b>	<b><i>Description</i></b>
Section 56(2)	Transactions in deposits
Section 214(1)(ab)	Chargeable payments connected with exempt distributions
Section 436A(1)	Gross roll-up business: separate charge on profits
Section 442A(1)	Taxation of investment return where risk reinsured
Section 571(1)	Cancellation of tax certificates
Section 730(6)	Transfers of income arising from securities
Section 761(1)(b)(ii)	Offshore income gains
Section 774(1)	Transactions between dealing company and associated company
Section 776(3A)	Transactions in land
Section 780(3A)(b)	Sale and leaseback: taxation of consideration received
Section 781(1)	Assets leased to traders and others
Section 786(5)(b)	Transactions associated with loans or credit

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## PART 2

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<b><i>Provisions of CTA 2009</i></b>	<b><i>Description</i></b>
Chapter 15 of Part 3	Post-cessation receipts: trades
Chapter 7 of Part 4	Rent receivable in connection with a UK section 39(4) concern
Chapter 8 of Part 4	Rent receivable for UK electric-line wayleaves
Chapter 9 of Part 4	Post-cessation receipts: UK property businesses
Section 752	Non-trading gains on intangible fixed assets
Section 908	Profits from disposals of know-how
Section 912	Profits from sales of patent rights
Section 965(4)	Adjustments after the administration period
Chapter 8 of Part 10	Income not otherwise charged



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Section 986(4), so far as it relates to an amount treated as received under section 998(3)	Withdrawal of deductions if approval for share incentive plan withdrawn: non-trading cases
Section 1083(5)	Refunds of expenditure on research and development
Section 1229	Management expenses: claw back of relief
Section 1252	Industrial development grants: companies with investment business
Section 1253	Contributions to local enterprise organisations or urban regeneration companies: disqualifying benefits
Section 1254	Repayments under the Financial Services and Markets Act 2000
Section 1277(4)	Withdrawal of relief for unremittable foreign income after source ceases

### PART 3

<i>Other provisions</i>	<i>Description</i>
Section 85(1) of the Finance Act 1989	Certain receipts of basic life assurance and general annuity business
Section 85A(1) of the Finance Act 1989	Excess adjusted life assurance trade profits
Paragraph 3(1) of Schedule 12 to the Finance (No 2) Act 1992	Banks etc in compulsory liquidation
Section 256(2) of the Capital Allowances Act	Life assurance business: capital allowances
Section 131(4) of the Finance Act 2004	Companies in partnership
Section 27(2) of the Finance (No 2) Act 2005	Avoidance involving tax arbitrage: qualifying payments
Section 112(1) of the Finance Act 2006	Real estate investment trusts: entry charge

- (3) The reference in Part 2 of the above table to Chapter 8 of Part 10 of CTA 2009 does not include that Chapter so far as relating to income which arises from a source outside the United Kingdom.]

#### Textual Amendments

**F271** S. 834A inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 274** (with Sch. 2 Pts. 1, 2)

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[<sup>F272</sup>**834B** Meaning of “UK property business” and “overseas property business” **U.K.**

In the enactments relating to corporation tax “UK property business” and “overseas property business” have the meaning given by Chapter 2 of Part 4 of CTA 2009.]

**Textual Amendments**

**F272** S. 834B inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 275 (with Sch. 2 Pts. 1, 2)

[<sup>F273</sup>**834C** Total profits **U.K.**

- (1) In the Corporation Tax Acts references to total profits, in relation to an accounting period of a company, are to the amount arrived at by adding together—
- (a) the amounts chargeable for the period under the charge to corporation tax on income, and
  - (b) any amount to be included for the period in respect of chargeable gains (see section 8 of the 1992 Act).
- (2) Subsection (1) is subject to the provisions of the Corporation Tax Acts.]

**Textual Amendments**

**F273** S. 834C inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 276 (with Sch. 2 Pts. 1, 2)

**835** “Total income” in the Income Tax Acts. **U.K.**

<sup>F274</sup> .....

**Textual Amendments**

**F274** S. 835 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 215, Sch. 3 Pt. 1 (with Sch. 2)

**836** Returns of total income. **U.K.**

<sup>F275</sup> .....

**Textual Amendments**

**F275** S. 836 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 216, Sch. 3 Pt. 1 (with Sch. 2)

[<sup>F276</sup>**836A** Generally accepted accounting practice **U.K.**

<sup>F277</sup> .....]



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**Textual Amendments**

- F276** S. 836A inserted (with effect in accordance with s. 103(6) of the amending Act) by [Finance Act 2002 \(c. 23\), s. 103\(2\)](#)
- F277** S. 836A repealed (with effect in accordance with s. 80(4) of the repealing Act) by [Finance Act 2005 \(c. 7\), Sch. 4 para. 25, Sch. 11 Pt. 2\(7\)](#), Note 2

[<sup>F278</sup>**836B**Table of provisions to which this section applies **U.K.**

<sup>F279</sup> .....

**Textual Amendments**

- F278** S. 836B inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 340](#) (with Sch. 2)
- F279** S. 836B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 217, Sch. 3 Pt. 1](#) (with Sch. 2)

**837** “Annual value” of land. **U.K.**

<sup>F280</sup> .....

**Textual Amendments**

- F280** S. 837 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 218, Sch. 3 Pt. 1](#) (with Sch. 2)

[<sup>F281</sup>**837A**Meaning of “research and development”. **U.K.**

- (1) The following provisions have effect for the purposes of, and subject to, the provisions of the [<sup>F282</sup>Corporation Tax Acts] which apply this section.
- (2) “Research and development” means activities that fall to be treated as research and development in accordance with [<sup>F283</sup>generally accepted accounting practice].  
This is subject to [<sup>F284</sup>subsections (2A) and (2B)] below.

[<sup>F285</sup>(2A) Activities that, as a result of regulations made under section 1006 of ITA 2007, are “research and development” for the purposes of that section are also “research and development” for the purposes of this section.

(2B) And activities that, as a result of any such regulations, are not “research and development” for the purposes of that section are also not “research and development” for the purposes of this section.]

(5) <sup>F286</sup> .....

(6) Unless otherwise expressly provided, “research and development” does not include oil and gas exploration and appraisal.]

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#### Textual Amendments

- F281** S. 837A inserted (28.7.2000) by Finance Act 2000 (c. 17), Sch. 19 para. 1
- F282** Words in s. 837A(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 219(2) (with Sch. 2)
- F283** Words in s. 837A(2) substituted (24.7.2002) by Finance Act 2002 (c. 23), s. 103(4)(a)
- F284** Words in s. 837A(2) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 219(3) (with Sch. 2)
- F285** S. 837A(2A)(2B) substituted for s. 837A(3)(4) (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 219(4) (with Sch. 2)
- F286** S. 837A(5) repealed (24.7.2002) by Finance Act 2002 (c. 23), Sch. 40 Pt. 3(16)

#### [<sup>F287</sup>837B Meaning of “oil and gas exploration and appraisal”. U.K.]

- (1) References in the [<sup>F288</sup>Corporation Tax Acts] to “oil and gas exploration and appraisal” are to activities carried out for the purpose of—
- (a) searching for petroleum anywhere in an area, or
  - (b) ascertaining—
    - (i) the extent or characteristics of any petroleum-bearing area, or
    - (ii) what the reserves of petroleum of any such area are,so that it may be determined whether the petroleum is suitable for commercial exploitation.
- (2) For this purpose “petroleum” has the meaning given in section 1 of the <sup>M26</sup>Petroleum Act 1998.]

#### Textual Amendments

- F287** S. 837B inserted (28.7.2000) by Finance Act 2000 (c. 17), Sch. 19 para. 2
- F288** Words in s. 837B(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 220 (with Sch. 2)

#### Marginal Citations

- M26** 1998 c. 17.

#### [<sup>F289</sup>837C Meaning of “offshore installation” U.K.]

- (1) For the purposes of the [<sup>F290</sup>Corporation Tax Acts], unless the context otherwise requires, “offshore installation” means a structure which is, is to be, or has been, put to a use specified in subsection (2) while—
- (a) standing in any waters,
  - (b) stationed (by whatever means) in any waters, or
  - (c) standing on the foreshore or other land intermittently covered with water.
- (2) The uses are—
- (a) use for the purposes of exploiting mineral resources by means of a well;
  - (b) use for the purposes of exploration with a view to exploiting mineral resources by means of a well;
  - (c) use for the storage of gas in or under the shore or the bed of any waters;

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- (d) use for the recovery of gas so stored;
  - (e) use for the conveyance of things by means of a pipe;
  - (f) use mainly for the provision of accommodation for persons who work on or from a structure which is, is to be, or has been, put to a use specified in any of paragraphs (a) to (e) while—
    - (i) standing in any waters,
    - (ii) stationed (by whatever means) in any waters, or
    - (iii) standing on the foreshore or other land intermittently covered with water.
- (3) But a structure is not an offshore installation if—
- (a) it has ceased permanently to be put to a use specified in subsection (2),
  - (b) it is not, and is not to be, put to any other use specified in subsection (2), and
  - (c) since ceasing permanently to be put to a use specified in subsection (2) it has been put to a use which is not so specified.
- (4) In this section “structure” includes a ship or other vessel.
- (5) The Treasury may make provision by regulations as to the meaning of “offshore installation” for the purposes of the [<sup>F290</sup>Corporation Tax Acts].
- (6) The regulations may—
- (a) add to, amend or repeal subsections (1) to (4) or any provision of those subsections;
  - (b) make different provision for different purposes;
  - (c) include incidental, consequential, supplemental, saving or transitional provisions.]

#### Textual Amendments

**F289** S. 837C inserted (with effect in accordance with Sch. 27 para. 3 of the amending Act) by Finance Act 2004 (c. 12), Sch. 27 para. 1

**F290** Words in s. 837C(1)(5) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 221 (with Sch. 2)

### 838 Subsidiaries. **U.K.**

<sup>M27</sup>(1) For the purposes of the [<sup>F291</sup>Corporation Tax Acts] a body corporate shall be deemed to be—

- (a) a “51 per cent. subsidiary” of another body corporate if and so long as more than 50 per cent. of its ordinary share capital is owned directly or indirectly by that other body corporate;
  - (b) a “75 per cent. subsidiary” of another body corporate if and so long as not less than 75 per cent. of its ordinary share capital is owned directly or indirectly by that other body corporate;
  - (c) a “90 per cent. subsidiary” of another body corporate if and so long as not less than 90 per cent. of its ordinary share capital is owned directly by that other body corporate.
- (2) In subsection (1)(a) and (b) above “owned directly or indirectly” by a body corporate means owned, whether directly or through another body corporate or other bodies

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- corporate or partly directly and partly through another body corporate or other bodies corporate.
- (3) In this section references to ownership shall be construed as references to beneficial ownership.
- (4) For the purposes of this section the amount of ordinary share capital of one body corporate owned by a second body corporate through another body corporate or other bodies corporate, or partly directly and partly through another body corporate or other bodies corporate, shall be determined in accordance with the following provisions of this section.
- (5) Where, in the case of a number of bodies corporate, the first directly owns ordinary share capital of the second and the second directly owns ordinary share capital of the third, then for the purposes of this section, the first shall be deemed to own ordinary share capital of the third through the second, and, if the third directly owns ordinary share capital of a fourth, the first shall be deemed to own ordinary share capital of the fourth through the second and third, and the second shall be deemed to own ordinary share capital of the fourth through the third and so on.
- (6) In this section—
- (a) any number of bodies corporate of which the first directly owns ordinary share capital of the next and the next directly owns ordinary share capital of the next but one, and so on, and, if they are more than three, any three or more of them, are referred to as “a series”;
  - (b) in any series—
    - (i) that body corporate which owns ordinary share capital of another through the remainder is referred to as the “first owner”;
    - (ii) that other body corporate the ordinary share capital of which is so owned is referred to as “the last owned body corporate”;
    - (iii) the remainder, if one only, is referred to as “an intermediary” and, if more than one, are referred to as “a chain of intermediaries”;
  - (c) a body corporate in a series which directly owns ordinary share capital of another body corporate in the series is referred to as “an owner”; and
  - (d) any two bodies corporate in a series of which one owns ordinary share capital of the other directly, and not through one or more of the other bodies corporate in the series, are referred to as being directly related to one another.
- (7) Where every owner in a series owns the whole of the ordinary share capital of the body corporate to which it is directly related, the first owner shall be deemed to own through the intermediary or chain of intermediaries the whole of the ordinary share capital of the last owned body corporate.
- (8) Where one of the owners in a series owns a fraction of the ordinary share capital of the body corporate to which it is directly related, and every other owner in the series owns the whole of the ordinary share capital of the body corporate to which it is directly related, the first owner shall be deemed to own that fraction of the ordinary share capital of the last owned body corporate through the intermediary or chain of intermediaries.
- (9) Where—
- (a) each of two or more of the owners in a series owns a fraction, and every other owner in the series owns the whole, of the ordinary share capital of the body corporate to which it is directly related; or

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(b) every owner in a series owns a fraction of the ordinary share capital of the body corporate to which it is directly related;

the first owner shall be deemed to own through the intermediary or chain of intermediaries such fraction of the ordinary share capital of the last owned body corporate as results from the multiplication of those fractions.

(10) Where the first owner in any series owns a fraction of the ordinary share capital of the last owned body corporate in that series through the intermediary or chain of intermediaries in that series, and also owns another fraction or other fractions of the ordinary share capital of the last owned body corporate, either—

- (a) directly, or
- (b) through an intermediary or intermediaries which is not a member or are not members of that series, or
- (c) through a chain or chains of intermediaries of which one or some or all are not members of that series, or
- (d) in a case where the series consists of more than three bodies corporate, through an intermediary or intermediaries which is a member or are members of the series, or through a chain or chains of intermediaries consisting of some but not all of the bodies corporate of which the chain of intermediaries in the series consists;

then, for the purpose of ascertaining the amount of the ordinary share capital of the last owned body corporate owned by the first owner, all those fractions shall be aggregated and the first owner shall be deemed to own the sum of those fractions.

#### Textual Amendments

**F291** Words in s. 838(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 222** (with Sch. 2)

#### Modifications etc. (not altering text)

**C18** S. 838 applied (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), **ss. 184(1)(a)**, 289 (with ss. 60(1), 101(1), 171, 201(3))

S. 838 applied (27.7.1993) by 1993 c. 34, **s. 189(6)**

**C19** S. 838 modified (24.7.2002) by [Finance Act 2002 \(c. 23\)](#), **Sch. 29 para. 50(7)**

**C20** S. 838 applied (1.1.2008 with effect in accordance with reg. 1(2) of the affecting S.I.) by [The Scientific Research Organisations Regulations 2007 \(S.I. 2007/3426\)](#), **regs. 1(1), 2(3)**

**C21** S. 838 applied (with effect in accordance with s. 93(2) of the affecting Act) by [Finance Act 2009 \(c. 10\)](#), **Sch. 46 para. 18(3)(4)**

**C22** Definition in s. 838 modified (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), **ss. 170(2)(c)**, 289 (with ss. 60(1), 101(1), 171, 201(3))

**C23** S. 838(2)-(10) applied (30.3.1995) by [The Electricity \(Class Exemptions from the Requirement for a Licence\) \(No. 2\) Order 1995 \(S.I. 1995/909\)](#), **art. 2(2)(c)**

S. 838(2)-(10) applied (1.10.2001) by [The Electricity \(Class Exemptions from the Requirement for a Licence\) Order 2001 \(S.I. 2001/3270\)](#), **art. 2(2)(c)**

S. 838(2)-(10) applied (with effect in accordance with Sch. 29 Pt. 14 of the affecting Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 29 para. 50(7)**

**C24** S. 838(2)-(10) applied (1.4.2009 with effect in accordance with s. 1329(1) of the affecting Act) by [Corporation Tax Act 2009 \(c. 4\)](#), **s. 768(9)** (with Sch. 2 Pts. 1, 2)

**C25** S. 838(4)-(10) applied (27.7.1993) by 1993 c. 37, s. 12, **Sch. 2, Pt. I para. 31(11)**

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### Marginal Citations

M27 Source—1970 s.532.

## 839 Connected persons. U.K.

<sup>M28</sup>(1) For the purposes of, and subject to, the provisions of the [<sup>F292</sup>Corporation Tax Acts] which apply this section, any question whether a person is connected with another shall be determined in accordance with the following provisions of this section (any provision that one person is connected with another being taken to mean that they are connected with one another).

(2) A person is connected with an individual if that person is the individual's [<sup>F293</sup>spouse or civil partner], or is a relative, or the [<sup>F293</sup>spouse or civil partner] of a relative, of the individual or of the individual's [<sup>F293</sup>spouse or civil partner].

<sup>F294</sup>(3) A person, in his capacity as trustee of a settlement, is connected with—

- (a) any individual who in relation to the settlement is a settlor,
- (b) any person who is connected with such an individual, <sup>F295</sup> . . .
- (c) any body corporate which is connected with that settlement,

<sup>F296</sup>(d) if the settlement is the principal settlement in relation to one or more sub-fund settlements, the trustees of the sub-fund settlements, and

- (e) if the settlement is a sub-fund settlement in relation to a principal settlement, the trustees of any other sub-fund settlements in relation to the principal settlement.]

(3A) For the purpose of subsection (3) above a body corporate is connected with a settlement if—

- (a) it is a close company (or only not a close company because it is not resident in the United Kingdom) and the participators include the trustees of the settlement; or
- (b) it is controlled (within the meaning of section 840) by a company falling within paragraph (a) above.]

<sup>F297</sup>(3B) For the purpose of subsection (3) above—

- (a) “settlement” has the same meaning as in section 620 of ITTOIA 2005,
- (b) “trustee”, in relation to a settlement in relation to which there would be no trustees apart from this paragraph, means any person—

[ in whom the property comprised in the settlement is for the time being  
<sup>F298</sup>(i) vested, or  
(ii) in whom the management of that property is for the time being vested,]

and

- (c) “principal settlement” and “sub-fund settlement” have the meaning given by paragraph 1 of Schedule 4ZA to the 1992 Act.]

(4) Except in relation to acquisitions or disposals of partnership assets pursuant to bona fide commercial arrangements, a person is connected with any person with whom he is in partnership, and with the [<sup>F293</sup>spouse or civil partner] or relative of any individual with whom he is in partnership.

(5) A company is connected with another company—

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- (a) if the same person has control of both, or a person has control of one and persons connected with him, or he and persons connected with him, have control of the other; or
  - (b) if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person with whom he is connected.
- (6) A company is connected with another person if that person has control of it or if that person and persons connected with him together have control of it.
- (7) Any two or more persons acting together to secure or exercise control of a company shall be treated in relation to that company as connected with one another and with any person acting on the directions of any of them to secure or exercise control of the company.
- (8) In this section—
- “company” includes any body corporate [<sup>F299</sup>(including an open-ended investment company)] or unincorporated association, but does not include a partnership, and this section shall apply in relation to any unit trust scheme as if the scheme were a company and as if the rights of the unit holders were shares in the company;
  - “control” shall be construed in accordance with section 416; and
  - “relative” means brother, sister, ancestor or lineal descendant.

In relation to any period during which section 470(2) has effect the reference above to a unit trust scheme shall be construed as a reference to a unit trust scheme within the meaning of the <sup>M29</sup>Prevention of Fraud (Investments) Act 1958 or the <sup>M30</sup>Prevention of Fraud (Investments) Act (Northern Ireland) 1940.

#### Textual Amendments

- F292** Words in s. 839(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 223\(2\)](#) (with [Sch. 2](#))
- F293** Words in s. 839(2)(4) substituted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\)](#), 100
- F294** S. 839(3)(3A) substituted for s. 839(3) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 20](#)
- F295** Word at the end of s. 839(3)(b) repealed (6.4.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 13 paras. 25\(a\)](#), 27(1), [Sch. 26 Pt. 3\(15\)](#), Note
- F296** S. 839(3)(d)(e) substituted for words in s. 839(3) (6.4.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 13 paras. 25\(b\)](#), 27(1)
- F297** S. 839(3B) inserted (6.4.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 13 paras. 25\(c\)](#), 27(1)
- F298** S. 839(3B)(b)(i)(ii) substituted for words in s. 839(3B)(b) (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 223\(3\)](#) (with [Sch. 2](#))
- F299** Words in s. 839(8) inserted (28.4.1997) by [The Open-ended Investment Companies \(Tax\) Regulations 1997 \(S.I. 1997/1154\)](#), [reg. 15](#)

#### Modifications etc. (not altering text)

- C26** S. 839 applied by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), [ss. 104\(3\)](#), 112(7)(b)  
S. 839 applied by 1983 c. 55, [Sch. 4A para. 1\(5\)](#) (as inserted (1.12.1992 for specified purposes and 1.1.1993 otherwise) by [Finance No. 2 Act 1992 \(c. 48\)](#), s. 14(2), [Sch. 3 Pt. I para. 62](#); [S.I. 1992/2979](#), [art. 4](#), [Sch. Pt. II](#); [S.I. 1992/3261](#), [art. 3](#), Sch.)



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- S. 839 applied (27.7.1993) by 1993 c. 34, **s. 193(6)**
- C27** S. 839 applied (with effect in accordance with s. 127(19) of the affecting Act) by Finance Act 1995 (c. 4), **s. 127(17)**
- C28** S. 839 applied (29.4.1996) by Finance Act 1996 (c. 8), **Sch. 9 para. 15(7)**  
S. 839 applied (with effect in accordance with s. 105(1), Sch. 13 para. 8(1) of the affecting Act) by Finance Act 1996 (c. 8), **Sch. 13 para. 8(3)** (with Sch. 13 para. 6)
- C29** S. 839 applied by Finance Act 1986 (c. 8), **s. 80B(1)** (as inserted by Finance Act 1997 (c. 16), **s. 97(1)(4)(6)**; S.I. 1997/2428, art. 2)  
S. 839 applied by Finance Act 1986 (c. 8), **s. 88B(1)** (as inserted by Finance Act 1997 (c. 16), **s. 102(1)(4)(6)**; S.I. 1997/2428, art. 2)
- C30** S. 839 applied by Finance Act 1994 (c. 9), **Sch. 6A para. 1(2)** (as inserted by Finance Act 1997 (c. 16), ss. 22(3), 24, **Sch. 4**)
- C31** S. 839 applied by Value Added Tax Act 1994 (c. 23), **Sch. 9 Group 2 Note (6)** (as substituted by Finance Act 1997 (c. 16), **s. 38**)  
S. 839 applied by Value Added Tax Act 1994 (c. 23), **Sch. 10 para. 3A(14)** (as inserted by Finance Act 1997 (c. 16), **s. 37(3)-(6)**)
- C32** S. 839 applied (19.3.1997) by Finance Act 1997 (c. 16), **Sch. 12 para. 25(2)**
- C33** S. 839 applied (with effect in accordance with s. 48(11) of the affecting Act) by Finance (No. 2) Act 1997 (c. 58), **s. 48(10)**
- C34** S. 839 applied (31.7.1998) by Finance Act 1998 (c. 36), **s. 47(10)**  
S. 839 applied (31.7.1998) by Finance Act 1998 (c. 36), **Sch. 11 para. 3(4)**
- C35** S. 839 applied (27.7.1999) by Finance Act 1999 (c. 16), **s. 97(2)(a)**
- C36** S. 839 applied (28.3.2000) by Finance Act 2000 (c. 17), **s. 119(9)(13)**  
S. 839 applied (with effect in accordance with s. 62 of the affecting Act) by Finance Act 2000 (c. 17), **Sch. 14 para. 71(2)**  
S. 839 applied (with effect in accordance with s. 63(4) of the affecting Act) by Finance Act 2000 (c. 17), **Sch. 15 para. 102(3)**  
S. 839 applied (with effect in accordance with s. 69(1) of the affecting Act) by Finance Act 2000 (c. 17), **Sch. 20 para. 25(2)** (with Sch. 20 para. 26)
- C37** S. 839 applied (with effect in accordance with s. 579 of the affecting Act) by Capital Allowances Act 2001 (c. 2), **s. 575(1)** (with s. 575(2))
- C38** S. 839 applied (with effect in accordance with s. 70(1) of the affecting Act) by Finance Act 2001 (c. 9), **Sch. 22 para. 31(4)** (with Sch. 22 para. 32)
- C39** S. 839 applied (1.4.2002) by The Aggregates Levy (General) Regulations 2002 (S.I. 2002/761), **reg. 12(2)**
- C40** S. 839 applied (1.6.2002) by The Beer Regulations 1993 (S.I. 1993/1228), **Sch. 1** (as amended by The Beer and Excise Warehousing (Amendment) Regulations 2002 (S.I. 2002/1265), **reg. 2(5)(b)**)
- C41** S. 839 applied (with effect in accordance with s. 55(7) of the affecting Act) by Finance Act 2002 (c. 23), **s. 55(5)**  
S. 839 applied by Finance Act 1996 (c. 8), **Sch. 13 para. 9A(5)** (as inserted (with effect in accordance with **s. 104(5)** of the amending Act) by Finance Act 2002 (c. 23), s. 104(3))  
S. 839 applied by Alcoholic Liquor Duties Act 1979 (c. 4), **s. 36B(8)** (as inserted (1.6.2002) Finance Act 2002 (c. 23), s. 4(1)(2), **Sch. 1 para. 2**)  
S. 839 applied (with effect in accordance with s. 53(1) of the affecting Act) by Finance Act 2002 (c. 23), **Sch. 12 para. 19(2)** (with Sch. 12 para. 20)  
S. 839 applied (with effect in accordance with Sch. 13 para. 28 of the affecting Act) by Finance Act 2002 (c. 23), **Sch. 13 para. 27(2)**  
S. 839 applied (with effect in accordance with Sch. 37 para. 2(5) of the affecting Act) by Finance Act 2002 (c. 23), **Sch. 37 para. 2(4)(b)**
- C42** S. 839 applied by The Social Security (Contributions) Regulations 2001 (S.I. 2001/1004), **Sch. 4 para. 4A(3)** (as inserted (28.11.2002) by The Social Security (Contributions)(Amendment No. 5) Regulations 2002 (S.I. 2002/2929), reg. 5)

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- C43** S. 839 applied (23.1.2003 with effect in accordance with s. 57(4)(a) of the affecting Act) by Finance Act 2002 (c. 23), s. 57(3), **Sch. 16 para. 51(3)**; S.I. 2003/88, **art. 2**
- C44** S. 839 applied (6.4.2003 with effect in accordance with s. 723(1) of the affecting Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), **s. 718** (with Sch. 7)
- C45** S. 839 applied (10.7.2003 with effect in accordance with Sch. 19 of the affecting Act) by Finance Act 2003 (c. 14), ss. 45(6), 53(2), 58(5), 108(1), Sch. 4 paras. 1(2), 10(4), **12(2)**; S.I. 2003/2899, **art. 2**
- C46** S. 839 applied (10.7.2003) by Finance Act 2003 (c. 14), **Sch. 26 para. 7(3)**
- C47** S. 839 applied by Finance Act 2003 (c. 14), **Sch. 6A para. 10** (as inserted (1.12.2003) by The Stamp Duty and Stamp Duty Land Tax (Variation of the Finance Act 2003) (No. 2) Regulations 2003 (S.I. 2003/2816), reg. 1, **Sch. para. 3(2)** (replacing S.I. 2003/2760, reg. 1, **Sch. para. 3(2)**); and S.I. 2003/2816 is revoked and replaced by Finance Act 2004 (c. 12), Sch. 39 paras. 14, 17(2), **26**
- C48** S. 839 applied by The Value Added Tax Regulations 1995 (S.I. 1995/2518), **reg. 171(7)(8)** (as inserted (11.12.2003) by The Value Added Tax (Amendment) (No. 6) Regulations 2003 (S.I. 2003/3220), **regs. 1(1)(b)**, **23**)
- C49** S. 839 applied (22.7.2004) by Finance Act 2004 (c. 12), **s. 278(4)** (with Sch. 36)
- C50** S. 839 applied (with modifications) (with effect in accordance with s. 84(2) of the affecting Act) by Finance Act 2004 (c. 12), **Sch. 15 para. 2**
- C51** S. 839 applied by Finance Act 2003 (c. 14), **s. 45A(10)** (as inserted (with effect in accordance with Sch. 39 para. 13(2) of the amending Act) by Finance Act 2004 (c. 12), **Sch. 39 para. 5(5)**)
- C52** S. 839 applied by Finance Act 2003 (c. 14), **s. 44(11)** (as inserted (with effect in accordance with Sch. 39 para. 26 of the amending Act) by Finance Act 2004 (c. 12), **Sch. 39 para. 15(4)**)
- C53** S. 839 applied by Finance Act 2003 (c. 14), **Sch. 6A para. 10** (as inserted (with effect in accordance with Sch. 39 para. 26 of the amending Act) by Finance Act 2004 (c. 12), **Sch. 39 para. 17(2)**)
- C54** S. 839 applied (with modifications) by Finance Act 2003 (c. 14), **Sch. 15 para. 39** (as substituted (with effect in accordance with Sch. 41 para. 3 of the amending Act) by Finance Act 2004 (c. 12), **Sch. 41 para. 1**)
- C55** S. 839 applied (1.8.2004) by The Tax Avoidance Schemes (Prescribed Descriptions of Arrangements) Regulations 2004 (S.I. 2004/1863), **reg. 1(1)(3)**
- C56** S. 839 applied (1.8.2004) by The Tax Avoidance Schemes (Promoters and Prescribed Circumstances) Regulations 2004 (S.I. 2004/1865), **reg. 1(1)(3)**
- C57** S. 839 applied (24.3.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **ss. 878(5)**, **883(3)(b)**
- C58** S. 839 applied (with modifications) (7.4.2005) by Finance Act 2005 (c. 7), **s. 83(9)**
- C59** S. 839 applied (20.7.2005) by Finance (No. 2) Act 2005 (c. 22), ss. 17(4)(n), 31(3), **Sch. 3 para. 12**
- C60** S. 839 applied by Finance Act 1996 (c. 8), **s. 91D(12)** (as inserted (with effect in accordance with Sch. 7 para. 10(7) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 7 para. 10(4)**)
- C61** S. 839 applied by Finance Act 2003 (c. 14), **Sch. 17A para. 18A(6)** (as inserted (with effect in accordance with Sch. 10 para. 16(5)-(9) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 10 para. 14**)
- C62** S. 839 applied (6.4.2006) by Finance Act 2004 (c. 12), **ss. 161(8)**, **273(11)**, **284(1)** (with Sch. 36)
- C63** S. 839 applied by Finance Act 2004 (c. 12), **s. 266A(7)** (as inserted (6.4.2006) by Finance Act 2005 (c. 7), Sch. 10 paras. 4, **64(1)**)
- C64** S. 839 applied by Finance Act 2004 (c. 12), **s. 162(6)** (as inserted (6.4.2006) by Finance Act 2005 (c. 7), Sch. 10 paras. 6(4), **64(1)**)
- C65** S. 839 applied by Finance Act 2004 (c. 12), **ss. 172A(11)**, **172B(9)**, **172C(7)**, **172D(6)** (as inserted (6.4.2006) by Finance Act 2005 (c. 7), Sch. 10 paras. 38, **64(1)**)
- C66** S. 839 applied by Finance Act 2004 (c. 12), **Sch. 36 para. 11D(5)** (as inserted (6.4.2006) by Finance Act 2006 (c. 25), s. 161(2), **Sch. 23 para. 38**)
- C67** S. 839 applied (6.4.2006) by The Pension Schemes (Reduction in Pension Rates) Regulations 2006 (S.I. 2006/138), **regs. 1(1)**, **2(3)**
- C68** S. 839 applied (6.4.2006) by The Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567), **regs. 1**, **2(2)**

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- C69** S. 839 applied by The Authorised Investment Funds Regulations 2006 (S.I. 2006/964), **reg. 52A(7)** (as inserted (7.12.2006) by The Authorised Investment Funds (Tax) (Amendment) Regulations 2006 (S.I. 2006/3239), **regs. 1, 2**)
- C70** S. 839 applied (14.12.2006 with effect in accordance with reg. 1(2) of the affecting S.I.) by The Oil Taxation (Market Value of Oil) Regulations 2006 (S.I. 2006/3313), **regs. 1(1), 8(4)**
- C71** S. 839 applied (1.1.2007) by Finance Act 2006 (c. 25), **ss. 34(4), 53(1)**; S.I. 2006/3399, **art. 2**
- C72** S. 839 applied (with modifications) (28.12.2007 with effect in accordance with reg. 1 of the affecting S.I.) by The Taxation of Insurance Securitisation Companies Regulations 2007 (S.I. 2007/3402), **reg. 2(2)**
- C73** S. 839 applied (1.1.2008 with effect in accordance with reg. 1(2) of the affecting S.I.) by The Scientific Research Organisations Regulations 2007 (S.I. 2007/3426), **regs. 1(1), 14(4)**
- C74** S. 839 applied by The Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/964), **reg. 69J(10)(b)** (as inserted (6.4.2008) by The Authorised Investment Funds (Tax) (Amendment) Regulations 2008 (S.I. 2008/705), **regs. 1, 5**)
- C75** S. 839 applied by Oil Taxation Act 1975 (c. 22), **Sch. 5 para. 2B(2)** (as substituted (with effect in accordance with **s. 103(2)** of the amending Act) by Finance Act 2008 (c. 9), s. 103(1))
- C76** S. 839 applied by Finance Act 1996 (c. 8), **Sch. 9 para. 12(2E)** (as inserted (with effect in accordance with Sch. 22 para. 5(3) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 22 para. 5(1)**)
- C77** S. 839 applied by Finance Act 2002 (c. 23), **Sch. 26 para. 28(3ZC)** (as inserted (with effect in accordance with Sch. 22 para. 5(3) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 22 para. 5(2)**)
- C78** S. 839 applied by Finance Act 1996 (c. 8), **ss. 91H(5), 91I(6)** (as inserted (with effect in accordance with Sch. 22 para. 17(3) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 22 para. 17(1)**)
- C79** S. 839 applied by Finance Act 1996 (c. 8), **s. 94B(10)** (as inserted (with effect in accordance with Sch. 22 para. 18(3) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 22 para. 18(1)**)
- C80** S. 839 applied (22.7.2008) by Crossrail Act 2008 (c. 18), **Sch. 13 para. 34(7)**
- C81** S. 839 applied by The Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/964), **reg. 14C(10)(b)** (as inserted (1.1.2009 with effect in accordance with reg. 1(2) of the amending S.I.) by The Authorised Investment Funds (Tax) (Amendment No. 3) Regulations 2008 (S.I. 2008/3159), **regs. 1(1), 11**)
- C82** S. 839 applied (1.4.2009 with effect in accordance with s. 1329(1) of the affecting Act) by Corporation Tax Act 2009 (c. 4), **s. 1316(1)** (with Sch. 2 Pts. 1, 2)
- C83** S. 839 applied by Betting and Gaming Duties Act 1981 (c. 63), **s. 21(7)** (as inserted (1.6.2009) by Finance Act 2009 (c. 10), **s. 22(6)(12)**)
- C84** S. 839 applied by Finance Act 2003 (c. 14), Sch. 9 paras. 5(2B), **7(9)** (as inserted (with effect in accordance with **s. 81(8)** of the amending Act) by Finance Act 2009 (c. 10), s. 81(6)(b)(7)(b))
- C85** S. 839 applied (with effect in accordance with Sch. 3 para. 11 of the affecting Act) by Finance Act 2009 (c. 10), **Sch. 3 para. 8**
- C86** S. 839 applied (1.12.2009 with effect in accordance with reg. 1(2) of the affecting S.I.) by The Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001), **regs. 1(1), 76(3)(b), 82(3)(b)** (with regs. 119, 122, Sch. 1)
- C87** S. 839(2)-(8) applied (E.W.S.) (16.1.1992) by S.I. 1992/58, art. 8(9)(b), **Sch. 1 para. 3**
- C88** S. 839(2) applied (6.4.2006) by The Registered Pension Schemes (Authorised Surplus Payments) Regulations 2006 (S.I. 2006/574), **regs. 1, 2(5)**

#### Marginal Citations

- M28** Source—1970 s.533.  
**M29** 1958 c. 45.  
**M30** 1940 c. 9 (N.I.)

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## 840 Meaning of “control” in certain contexts. **U.K.**

<sup>M31</sup>For the purposes of, and subject to, the provisions of the [<sup>F300</sup>Corporation Tax Acts] which apply this section, “control”, in relation to a body corporate, means the power of a person to secure—

- (a) by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate; or
- (b) by virtue of any powers conferred by the articles of association or other document regulating that or any other body corporate,

that the affairs of the first-mentioned body corporate are conducted in accordance with the wishes of that person, and, in relation to a partnership, means the right to a share of more than one-half of the assets, or of more than one-half of the income, of the partnership.

### Textual Amendments

**F300** Words in s. 840 substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 224](#) (with Sch. 2)

### Modifications etc. (not altering text)

- C89** S. 840 applied by [Finance Act 1988 \(c. 39\)](#), [s. 87\(3\)](#)  
S. 840 applied by [Finance Act 1989 \(c. 26\)](#), [s. 67\(3\)](#)  
S. 840 applied by [Capital Allowances Act 1990 \(c. 1\)](#), [s.77\(6\)](#)  
S. 840 applied (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), [Sch. 22 para. 17\(6\)\(a\)\(ii\)](#)  
S. 840 applied (29.4.1996) by [Finance Act 1996 \(c. 8\)](#), [Sch. 9 para. 8\(9\)](#)  
S. 840 applied (1.2.2001) by [Trustee Act 2000 \(c. 29\)](#), [ss. 19\(3\)](#), 42(2); S.I. 2001/49, [art. 2](#)  
S. 840 applied (29.7.2002) by [Trustee Act \(Northern Ireland\) 2001 \(c. 14\)](#), [ss. 19\(3\)](#), 45(1); S.R. 2002/253, [art. 2](#)  
S. 840 applied by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), [Sch. 5AA para. 4\(3\)](#) (as inserted (with effect in accordance with Sch. 9 para. 7 of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 9 para. 3](#))
- C90** S. 840 applied (23.1.2003 with effect in accordance with s. 57(4)(a) of the affecting Act) by [Finance Act 2002 \(c. 23\)](#), [s. 57\(3\)](#), [Sch. 16 para. 14\(3\)](#); S.I. 2003/88, [art. 2](#)
- C91** S. 840 applied and extended (6.4.2003 with effect in accordance with s. 723(1) of the affecting Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [ss. 69](#), 719 (with Sch. 7)
- C92** S. 840 applied (with effect in accordance with s. 77 of the affecting Act) by [Finance Act 2004 \(c. 12\)](#), [s. 65\(3\)](#)
- C93** S. 840 applied (24.3.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [ss. 878\(6\)](#), 883(3)(b)
- C94** S. 840 applied by [Finance Act 2003 \(c. 14\)](#), [s. 73AB\(4\)](#) (as inserted (with effect in accordance with [s. 155\(4\)](#) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [s. 155\(3\)](#))
- C95** S. 840 applied (1.4.2009 with effect in accordance with s. 1329(1) of the affecting Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [s. 1316\(2\)](#) (with Sch. 2 Pts. 1, 2)

### Marginal Citations

**M31** Source—1970 s.534

## [<sup>F301</sup>840Z] Meaning of “tax advantage” **U.K.**

- (1) In any provision of the Corporation Tax Acts in relation to which it is provided that “tax advantage” has the meaning given by this section, “tax advantage” means—

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- (a) a relief from tax or increased relief from tax,
  - (b) a repayment of tax or increased repayment of tax,
  - (c) the avoidance or reduction of a charge to tax or an assessment to tax, or
  - (d) the avoidance of a possible assessment to tax.
- (2) For the purposes of subsection (1)(c) and (d) it does not matter whether the avoidance or reduction is effected—
- (a) by receipts accruing in such a way that the recipient does not pay or bear tax on them, or
  - (b) by a deduction in calculating profits or gains.
- (3) In this section “relief from tax” includes—
- (a) a tax credit under section 231 for the purposes of corporation tax, and
  - (b) a tax credit under section 397(1) of ITTOIA 2005 for the purposes of income tax.]

#### Textual Amendments

**F301** S. 840ZA inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by *Income Tax Act 2007 (c. 3), Sch. 1 para. 225 (with Sch. 2)*

#### [<sup>F302</sup>840A Banks. U.K.]

- (1) In any provision [<sup>F303</sup>of the Corporation Tax Acts] in relation to which it is provided that “bank” has the meaning given by this section “bank” means—
- (a) the Bank of England;
  - [<sup>F304</sup>(b) a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits other than—
    - (i) a building society within the meaning of the Building Societies Act 1986,
    - [<sup>F305</sup>(ii) a society registered within the meaning of the Friendly Societies Act 1974 <sup>M32</sup> or incorporated under the Friendly Societies Act 1992 <sup>M33</sup>,]
    - (iii) a society registered as a credit union under the Industrial and Provident Societies Act 1965 <sup>M34</sup> or the Credit Unions (Northern Ireland) Order 1985 <sup>M35</sup>, or
    - (iv) an insurance company within the meaning of section [<sup>F306</sup> 275 of the Finance Act 2004;]
  - (c) an EEA firm of the kind mentioned in paragraph 5(b) of Schedule 3 to the Financial Services and Markets Act 2000 which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12(1) of that Schedule) to accept deposits;] or
  - [<sup>F307</sup>(ca) the European Investment Bank; or]
  - (d) a relevant international organisation which is designated as a bank for the purposes of that provision by an order made by the Treasury.
- (2) <sup>F308</sup> .....
- (3) For the purposes of subsection (1) above, a relevant international organisation is an international organisation of which the United Kingdom is a member.]



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#### Textual Amendments

- F302** S. 840A inserted (29.4.1996) by [Finance Act 1996 \(c. 8\)](#), [Sch. 37 para. 1\(1\)](#)
- F303** Words in s. 840A(1) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 226\(a\)](#) (with [Sch. 2](#))
- F304** S. 840A(1)(b)(c) substituted (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), [art. 46\(2\)](#)
- F305** S. 840A(1)(b)(ii) substituted (2.7.2002) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2002 \(S.I. 2002/1409\)](#), [art. 2\(2\)](#)
- F306** Words in s. 840A(1)(b)(iv) substituted (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), [Sch. 35 para. 36](#) (with [Sch. 36](#))
- F307** S. 840A(1)(ca) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 226\(b\)](#) (with [Sch. 2](#))
- F308** S. 840A(2) omitted (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by virtue of [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), [art. 46\(3\)](#)

#### Marginal Citations

- M32** 1974 c. 46.
- M33** 1992 c. 40.
- M34** 1965 c. 12.
- M35** S.I. 1985/1205 (N.I. 12).

#### [<sup>F309</sup>841 Meaning of “recognised stock exchange” etc [U.K.](#)

- (1) In the Corporation Tax Acts “recognised stock exchange” has the same meaning as in the Income Tax Acts (see subsections (1) and (2) of section 1005 of ITA 2007).
- (2) References in the Corporation Tax Acts to securities which are listed on a recognised stock exchange are to be read in accordance with subsections (3) and (4) of that section.
- (3) References in the Corporation Tax Acts to securities which are included in the official UK list are to be read in accordance with subsection (5) of that section.
- (4) In this section “securities” includes shares and stock.]

#### Textual Amendments

- F309** S. 841 substituted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 26 para. 2](#)

#### [<sup>F310</sup>841A Recognised clearing systems. [U.K.](#)

<sup>F311</sup> .....]

#### Textual Amendments

- F310** S. 841A inserted (with effect in accordance with [Sch. 7 para. 32](#) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 7 para. 26](#) (with [Sch. 7 paras. 33-35](#))
- F311** S. 841A repealed (28.7.2000) by [Finance Act 2000 \(c. 17\)](#), [Sch. 40 Pt. 2\(17\)](#)

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## 842 Investment trusts. **U.K.**

<sup>M36</sup>(1) In the [<sup>F312</sup>Corporation Tax Acts] “investment trust” means, as respects any accounting period, a company which is not a close company and which is approved for the purposes of this section for that accounting period by the Board, and the Board shall not approve any company unless it is shown to their satisfaction—

- <sup>F313</sup>(aa) that the company is resident in the United Kingdom; and
  - (a) that the company’s income [<sup>F314</sup>(as determined in accordance with subsection (1AB) below)] [<sup>F315</sup>is derived wholly or mainly from shares or securities] [<sup>F316</sup>(as so determined)]; and
  - (b) subject to subsection (2) below, that no holding in a company, other than an investment trust or a company which would qualify as an investment trust but for paragraph (c) below, represents more than 15 per cent. by value of the investing company’s investments; and
- <sup>F317</sup>(c) that the shares making up the company’s ordinary share capital (or, if there are such shares of more than one class, those of each class) are [<sup>F318</sup>included in the official UK list]; and
  - (d) that the distribution as dividend of surpluses arising from the realisation of investments is prohibited by the company’s memorandum or articles of association; and
  - (e) that the company does not retain in respect of any accounting period [<sup>F319</sup>an amount which is greater than] 15 per cent. of [<sup>F320</sup>the income it derives from shares or securities] [<sup>F321</sup>(determined in accordance with subsection (1AB) below)].

<sup>F322</sup>(1AA) <sup>F323</sup>.....]

<sup>F324</sup>(1AB) In determining for the purposes of paragraph (a) or (e) of subsection (1) above (and accordingly of subsection (2A)(b) below)—

- (a) the amount of a company’s income, or
  - (b) the amount of income which a company derives from shares or securities,
- the amounts to be brought into account under [<sup>F325</sup>Part 5 of CTA 2009] in respect of the company’s loan relationships shall be determined without reference to any debtor relationships of the company.]

<sup>F326</sup>(1AC) In determining the amount of a company’s income for the purposes of subsection (1) (a) above, no account shall be taken of any amount that [<sup>F327</sup>is charged to corporation tax under section 1229(3)(b) of CTA 2009 (claw back of relief for expenses of management)].]

<sup>F328</sup>(1A) For the purposes of paragraph (b) of subsection (1) above and the other provisions of this section having effect in relation to that paragraph—

- (a) holdings in companies which are members of a group (whether or not including the investing company) and are not excluded from that paragraph shall be treated as holdings in a single company; and
- (b) where the investing company is a member of a group, money owed to it by another member of the group shall be treated as a security of the latter held by the investing company and accordingly as, or as part of, the holding of the investing company in the company owing the money;

and for the purposes of this subsection “group” means a company and all companies which are its 51 per cent. subsidiaries]

(2) Subsection (1)(b) above shall not apply—



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- (a) to a holding in a company acquired before 6th April 1965 which on that date represented not more than 25 per cent. by value of the investing company's investments; or
- (b) to a holding in a company which, when it was acquired, represented not more than 15 per cent. by value of the investing company's investments;

so long as no addition is made to the holding.

[<sup>F329</sup>(2A) Subsection (1)(e) above shall not apply as regards an accounting period if—

- (a) the company is required to retain income in respect of the period by virtue of a restriction imposed by law, and
- (b) the amount of income the company is so required to retain in respect of the period exceeds an amount equal to 15 per cent. of the income the company derives from shares and securities.

(2B) Subsection (2A) above shall not apply where—

- (a) the amount of income the company retains in respect of the accounting period exceeds the amount of income it is required by virtue of a restriction imposed by law to retain in respect of the period, and
- (b) the amount of the excess or, where the company distributes income in respect of the period, that amount together with the amount of income which the company so distributes is at least £10,000 or, where the period is less than 12 months, a proportionately reduced amount.

(2C) Paragraph (e) of subsection (1) above shall not apply as regards an accounting period if the amount which the company would be required to distribute in order to fall within that paragraph is less than £10,000 or, where the period is less than 12 months, a proportionately reduced amount.]

[<sup>F330</sup>(2D) For the purpose of determining whether a company may be approved for the purposes of this section for an accounting period, the excess of any relevant credits arising in that period over any relevant debits so arising is treated for the purposes of this section as income derived from shares or securities.

(2E) In subsection (2D) “relevant credits” and “relevant debits”, in relation to an accounting period, means credits and debits which are brought into account in respect of that period by virtue of section 574 of CTA 2009 (non-trading credits and debits to be brought into account under Part 5 of that Act).]

(3) For the purposes of subsection (2) above—

- (a) “holding” means the shares or securities (whether of one class or more than one class) held in any one company; and
- (b) an addition is made to a holding whenever the investing company acquires shares or securities of that one company, otherwise than by being allotted shares or securities without becoming liable to give any consideration, and if an addition is made to a holding that holding is acquired when the addition or latest addition is made to the holding; and
- (c) where in connection with a scheme of reconstruction <sup>F331</sup> . . . , a company issues shares or securities to persons holding shares or securities in a second company in respect of and in proportion to (or as nearly as may be in proportion to) their holdings in the second company, without those persons becoming liable to give any consideration, a holding of the shares or securities in the second company and a corresponding holding of the shares or securities so issued shall be regarded as the same holding.

*Status: Point in time view as at 01/04/2009.*

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[<sup>F332</sup>(3A) References in this section to income do not include income treated as arising under section 761(1)(a).]

(4) In this section “company” and “shares” shall be construed in accordance with sections [<sup>F333</sup>99 and 288 of [<sup>F334</sup>the 1992 Act]] [<sup>F335</sup>and “scheme of reconstruction” has the same meaning as in section 136 of that Act].

#### Textual Amendments

- F312** Words in s. 842(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 228** (with Sch. 2)
- F313** 1988(F) s.117(1)(a) *for accounting periods ending after 5th April 1988.*
- F314** Words in s. 842(1)(a) inserted (with effect in accordance with s. 82(2) of the amending Act) by **Finance Act 2002 (c. 23), Sch. 25 para. 56(2)(a)**
- F315** Words in s. 842(1)(a) restored (as a result of the repeal of amending provision FA 1996 (c. 8), Sch. 30 para. 2(2) with effect in accordance with s. 145(2) of the repealing Act) by virtue of **Finance Act 2006 (c. 25), s. 143, Sch. 26 Pt. 4**
- F316** Words in s. 842(1)(a) inserted (with effect in accordance with s. 82(2) of the amending Act) by **Finance Act 2002 (c. 23), Sch. 25 para. 56(2)(b)**
- F317** 1988(F) s.117(1)(b) *for accounting periods ending after 5th April 1988. Previously* “that the shares or securities of the company are quoted on the Stock Exchange and”.
- F318** Words in s. 842(1)(c) substituted (19.7.2007) by **Finance Act 2007 (c. 11), Sch. 26 para. 7(9)**
- F319** Words in s. 842(1)(e) substituted (with effect in accordance with s. 82(2) of the amending Act) by **Finance Act 2002 (c. 23), Sch. 25 para. 56(3)(a)**
- F320** Words in s. 842(1)(e) restored (as a result of the repeal of amending provision FA 1996 (c. 8), Sch. 30 para. 2(2) with effect in accordance with s. 145(2) of the repealing Act) by virtue of **Finance Act 2006 (c. 25), s. 143, Sch. 26 Pt. 4**
- F321** Words in s. 842(1)(e) inserted (with effect in accordance with s. 82(2) of the amending Act) by **Finance Act 2002 (c. 23), Sch. 25 para. 56(3)(b)**
- F322** S. 842(1AA) inserted (with effect in accordance with Sch. 30 para. 3 of the amending Act) by **Finance Act 1996 (c. 8), Sch. 30 para. 2(3)**
- F323** S. 842(1AA) repealed (with effect in accordance with s. 145(2) of the repealing Act) by **Finance Act 2006 (c. 25), s. 143(c), Sch. 26 Pt. 4**
- F324** S. 842(1AB) inserted (with effect in accordance with s. 82(2) of the amending Act) by **Finance Act 2002 (c. 23), Sch. 25 para. 56(4)**
- F325** Words in s. 842(1AB) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by **Corporation Tax Act 2009 (c. 4), Sch. 1 para. 277(2)** (with Sch. 2 Pts. 1, 2)
- F326** S. 842(1AC) inserted (22.7.2004) by **Finance Act 2004 (c. 12), s. 45(4)**
- F327** Words in s. 842(1AC) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by **Corporation Tax Act 2009 (c. 4), Sch. 1 para. 277(3)** (with Sch. 2 Pts. 1, 2)
- F328** 1988(F) s.117(1)(c) *for accounting periods ending after 5th April 1988.*
- F329** 1990 s.55 *in relation to accounting periods ending on or after 26 July 1990.*
- F330** S. 842(2D)(2E) inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by **Corporation Tax Act 2009 (c. 4), Sch. 1 para. 277(4)** (with Sch. 2 Pts. 1, 2)
- F331** Words in s. 842(3)(c) repealed (with effect in accordance with Sch. 9 paras. 7, 8 of the repealing Act) by **Finance Act 2002 (c. 23), Sch. 40 Pt. 3(2)**, Note
- F332** S. 842(3A) inserted (with effect in accordance with s. 57(7) of the amending Act) by **Finance Act 2007 (c. 11), s. 57(3)**
- F333** Words in s. 842(4) substituted (with effect as mentioned in s. 289(1)(2) of the amending Act) by **Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 10 para. 14(55)** (with ss. 60, 101(1), 171, 201(3))
- F334** Words in s. 842(4) substituted (retrospectively) by **Finance Act 1994 (c. 9), Sch. 17 para. 8**

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**F335** Words in s. 842(4) added (with effect in accordance with Sch. 9 paras. 7, 8(4) of the amending Act) by Finance Act 2002 (c. 23), **Sch. 9 para. 4(7)**

**Modifications etc. (not altering text)**

**C96** S. 842(1A)(a) excluded (27.7.1999) by Commonwealth Development Corporation Act 1999 (c. 20), **Sch. 2 para. 12(2)**

**Marginal Citations**

**M36** Source—1970 s.359; 1973 s.54; 1979(C) Sch.7.

[<sup>F336</sup>**842A** **Venture capital trusts.** **U.K.**

<sup>F337</sup> . . . . .]

**Textual Amendments**

**F336** S. 842AA inserted (1.5.1995) by Finance Act 1995 (c. 4), **s. 70(1)**

**F337** S. 842AA repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 229, **Sch. 3 Pt. 1** (with Sch. 2)

[<sup>F338</sup>**842A** **Local authorities.** **U.K.**

(1) Except so far as the context otherwise requires, in the [<sup>F339</sup>Corporation Tax Acts]“local authority” means—

- (a) in relation to England and Wales, an authority of a description specified for the purposes of this paragraph [<sup>F340F341</sup> . . . ];
- (b) in relation to Scotland, an authority of a description specified for the purposes of this paragraph [<sup>F342F341</sup> . . . ], and
- (c) in relation to Northern Ireland, an authority of a description specified for the purposes of this paragraph [<sup>F343F341</sup> . . . ].

(2) The following are the descriptions of authority specified for the purposes of paragraph (a) of subsection (1) above—

- [<sup>F344</sup>(a) a billing authority as defined in section 69 of the Local Government Finance Act 1992;
- (b) a precepting authority as defined in that section;
- (c) a body having power by virtue of regulations under section 74 of the <sup>M37</sup>Local Government Finance Act 1988 to issue a levy;]
- (d) a body having power by virtue of regulations under section 75 of that Act to issue a special levy;
- [<sup>F345</sup>(e) . . . . .]
- [<sup>F346</sup>(f) a fire and rescue authority in Wales constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;]
- (g) an authority having power to make or determine a rate;
- [<sup>F347</sup>(h) a residuary body established by order under section 22(1) of the <sup>M38</sup>Local Government Act 1992.]

(3) The following are the descriptions of authority specified for the purposes of paragraph (b) of subsection (1) above—

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- [<sup>F348</sup>(a) a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994];
  - (d) a joint board or committee within the meaning of the <sup>M39</sup>Local Government (Scotland) Act 1973;
  - (e) an authority having power to requisition any sum from an authority [<sup>F349</sup>such as is mentioned in paragraph (a) above].
- (4) The following are the descriptions of authority specified for the purposes of paragraph (c) of subsection (1) above—
- (a) an authority having power to make or determine a rate;
  - (b) an authority having power to issue a precept, requisition or other demand for the payment of money to be raised out of a rate.
- (5) In this section “rate” means a rate the proceeds of which are applicable for public local purposes and which is leviable by reference to the value of land or other property.]

#### Textual Amendments

- F338** S. 842A inserted (1.4.1990) by [Finance Act 1990 \(c. 29\)](#), [s.127\(1\)\(4\)](#)
- F339** Words in s. 842A(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 230](#) (with Sch. 2)
- F340** Words in s. 842A(1)(a) inserted (1.4.1998) by [Police Act 1997 \(c. 50\)](#), s. 135(1), [Sch. 9 para. 53\(a\)](#); S.I. 1998/354, [art. 2\(1\)\(2\)\(bb\)](#)
- F341** Words in s. 842A(1)(a)(b)(c) repealed (1.4.2002) by [Criminal Justice and Police Act 2001 \(c. 16\)](#), s. 138(2), Sch. 6 para. 71, [Sch. 7 Pt. 5\(1\)](#); S.I. 2002/344, [art. 3\(k\)\(m\)](#)
- F342** Words in s. 842A(1)(b) inserted (1.4.1998) by [Police Act 1997 \(c. 50\)](#), s. 135(1), [Sch. 9 para. 53\(b\)](#); S.I. 1998/354, [art. 2\(1\)\(2\)\(bb\)](#)
- F343** Words in s. 842A(1)(c) inserted (1.4.1998) by [Police Act 1997 \(c. 50\)](#), s. 135(1), [Sch. 9 para. 53\(c\)](#); S.I. 1998/354, [art. 2\(1\)\(2\)\(bb\)](#)
- F344** S. 842A(2)(a)-(c) substituted (1.4.1993) by [Local Government Finance Act 1992 \(c. 14\)](#), s. 117(1), [Sch. 13 para. 57](#) (with s. 118(1)(2)(4)); S.I. 1992/2454, [art. 3\(1\)\(a\)](#)
- F345** S. 842A(2)(e) repealed (1.4.1995) by [Police and Magistrates' Courts Act 1994 \(c. 29\)](#), s. 94(1), [Sch. 9 Pt. 1](#); S.I. 1994/3262, [art. 4](#), [Sch.](#)
- F346** S. 842A(2)(f) substituted (E.W.) (1.10.2004 for E. and 10.11.2004 for W.) by [Fire and Rescue Services Act 2004 \(c. 21\)](#), s. 61, [Sch. 1 para. 64](#); S.I. 2004/2304, [art. 2](#) (with art. 3); S.I. 2004/2917, [art. 2](#)
- F347** S. 842A(2)(h) inserted (retrospective to 29.11.1994) by [Finance Act 1995 \(c. 4\)](#), [s. 144](#)
- F348** S. 842A(3)(a) substituted (1.4.1996) for s. 842A(3)(a)-(c) by [Local Government etc. \(Scotland\) Act 1994 \(c. 39\)](#), s. 184(2), [Sch. 13 para. 155\(a\)](#); S.I. 1996/323, [art. 4\(1\)\(c\)](#)
- F349** Words in s. 842A(3)(e) substituted (1.4.1996) by [Local Government etc. \(Scotland\) Act 1994 \(c. 39\)](#), s. 184(2), [Sch. 13 para. 155\(b\)](#); S.I. 1996/323, [art. 4\(1\)\(c\)](#)

#### Marginal Citations

- M37** 1988 c. 41.
- M38** 1992 c. 19.
- M39** 1973 c. 65.

[<sup>F351</sup>842B Meaning of <sup>F350</sup>... “property investment LLP” **U.K.**

- (1) In [<sup>F352</sup>the Corporation Tax Acts]—
- (a) <sup>F353</sup>.....

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- (b) a “property investment LLP” means a limited liability partnership whose business consists wholly or mainly in the making of investments in land and the principal part of whose income is derived therefrom.
- (2) Whether a limited liability partnership is <sup>F354</sup> . . . a property investment LLP is determined for each period of account of the partnership.  
<sup>F355</sup> . . . . .]

**Textual Amendments**

**F350** Words in s. 842B sidenote repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 231(4), Sch. 3 Pt. 1** (with Sch. 2)

**F351** S. 842B inserted (6.4.2001 with effect in accordance with s. 76(1) of the amending Act) by **Finance Act 2001 (c. 9), s. 76(2), Sch. 25 para. 1(1)**

**F352** Words in s. 842B(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 231(2)(a)** (with Sch. 2)

**F353** S. 842B(1)(a) and word repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 231(2)(b), Sch. 3 Pt. 1** (with Sch. 2)

**F354** Words in s. 842B(2) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 231(3), Sch. 3 Pt. 1** (with Sch. 2)

**F355** Words in s. 842B(2) repealed (24.7.2002) by **Finance Act 2002 (c. 23), Sch. 40 Pt. 3(16)**

*Commencement, savings, repeals etc.*

**843 Commencement. U.K.**

- (1) Except as otherwise provided by the following provisions of this section, this Act shall come into force in relation to tax for the year 1988-89 and subsequent years of assessment, and for companies’ accounting periods ending after 5th April 1988.
- (2) Except as otherwise provided by the following provisions of this section, such of the provisions of this Act as relate to capital gains tax (including the provisions of Part XVIII as applied to capital gains tax by section [<sup>F356</sup>277 of [<sup>F357</sup>the 1992 Act]]) shall come into force in relation to that tax for the year 1988-89 and subsequent years of assessment.
- (3) The following provisions of this Act, that is to say—
  - (a) so much of any provision as authorises the making of any Order in Council or regulations or other instrument;
  - (b) so much of any provision as relates to the making of a return, the furnishing of a certificate or the giving of any other information, including any such provision which imposes a duty on the Board or an officer of the Board as well as any such provision which imposes a duty on any other person;
  - (c) so much of any provision as imposes any penalty;
  - (d) except where the tax concerned is all tax for years of assessment before the year 1988-89 or accounting periods ending before 6th April 1988, so much of any other provision as confers any power or imposes any duty the exercise or performance of which operates or may operate in relation to tax for more than one chargeable period,

shall come into force for all purposes on 6th April 1988 to the exclusion of the corresponding enactments repealed by this Act.

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- (4) This section has effect except as otherwise provided by any other provision of this Act, and in particular except as provided by sections 96, 380 to 384, 393,<sup>F358</sup> . . . , 400, 703 and 812.

#### Textual Amendments

- F356** Words in s. 843(2) substituted (with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch. 10 para. 14(56)** (with ss. 60, 101(1), 171, 201(3))
- F357** Words in s. 843(2) substituted (retrospectively) by Finance Act 1994 (c. 9), **Sch. 17 para. 8**
- F358** Words in s. 843(4) repealed by Finance Act 1991 (c. 31, SIF 63:1), ss. 73(3)(4)(5), 123, Sch. 15 para. 24, **Sch. 19 Pt. V**, Note 4

#### 844 Savings, transitional provisions, consequential amendments and repeals. **U.K.**

- (1) Schedule 29, which makes amendments to other enactments consequential on the passing of this Act, shall have effect.
- (2) Schedule 29, section 843 and this section are without prejudice to the provisions of the<sup>M40</sup> Interpretation Act 1978 as respects the effect of repeals.
- (3) Schedule 30 which contains savings and transitional provisions shall have effect.
- (4) The enactments mentioned in Schedule 31 are hereby repealed to the extent specified in the third column of that Schedule.
- (5) Subject to subsection (6) below, section 843(3), Schedule 30 and to any other provision of this Act by which any provision is brought into force to the exclusion of the corresponding enactments repealed by this Act, those repeals shall come into force in accordance with subsections (1) and (2) of section 843.
- (6) No provision mentioned in subsection (5) above shall be taken as bringing a repeal into force except to the extent that the repealed enactment is being superseded.

#### Marginal Citations

- M40** 1978 c. 30.

#### 845 Short title. **U.K.**

This Act may be cited as the Income and Corporation Taxes Act 1988.

**Status:**

Point in time view as at 01/04/2009.

**Changes to legislation:**

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