



# Finance Act 2002

## 2002 CHAPTER 23

### PART 3

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER 2

#### OTHER PROVISIONS

#### *Supplementary charge in respect of ring fence trades*

#### **<sup>F1</sup>91 Supplementary charge in respect of ring fence trades**

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#### **Textual Amendments**

**F1** S. 91 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 3 Pt. 1](#) (with [Sch. 2](#))

#### **92 Assessment, recovery and postponement of supplementary charge**

**<sup>F2</sup>(1)** .....

(2) In section 59E of the Taxes Management Act 1970 (c. 9) (further provision as to when corporation tax is due and payable) in subsection (11) (extension of references in the section to corporation tax) after paragraph (b) add—

“(c) to any sum chargeable on a company under section 501A(1) of the principal Act (supplementary charge in respect of ring fence trades) as if it were an amount of corporation tax chargeable on the company”.

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**Changes to legislation:** *There are currently no known outstanding effects for the Finance Act 2002,*  
*Cross Heading: Supplementary charge in respect of ring fence trades. (See end of Document for details)*

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- (3) In Schedule 18 to the Finance Act 1998 (c. 36) (company tax returns: assessments and related matters) in paragraph 1 (meaning of “tax”) in the second sentence (amounts assessable or chargeable as if they were corporation tax) for the word “and” immediately preceding the paragraph beginning “section 747(4)(a)” substitute the following paragraph—

“section 501A(1) of that Act (supplementary charge in respect of ring fence trades), and”.

- (4) In paragraph 8 of that Schedule (calculation of tax payable) after paragraph number 1 of the third step insert—

“1A Any sum chargeable under section 501A(1) of that Act (supplementary charge in respect of ring fence trades).”.

- (5) Regulation 3 of the Instalment Payment Regulations (large companies) is amended as follows.

- (6) In paragraph (1) (which, subject to paragraphs (2) and (3), defines a large company) for “paragraphs (2) and (3),” substitute “ paragraphs (2) to (3A), ”.

- (7) After paragraph (3) insert—

“(3A) Any question whether a company is, or is not, a large company as respects an accounting period beginning on or after 17th April 2002 shall, so far as not falling to be determined by reference to the company’s total liability, be determined as it would have been determined apart from section 501A of the Taxes Act (supplementary charge in respect of ring fence trades).”.

- (8) The amendment by this section of any provision contained in regulations shall not be taken to have prejudiced any power to make further regulations revoking or amending that provision, whether in relation to the same or any other chargeable periods.

- (9) In this section “the Instalment Payment Regulations” means the Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175).

#### **Textual Amendments**

- F2** S. 92(1) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

### **93 Supplementary charge: transitional provisions**

- (1) In the case of a straddling period, that is to say, an accounting period which begins before 17th April 2002 and ends on or after that date—

- (a) sections 501A and 501B of the Taxes Act 1988 (which are inserted by sections 91 and 92) shall apply as if so much of the straddling period as falls before 17th April 2002, and so much of that period as falls on or after that date, were separate accounting periods; and
- (b) all necessary apportionments between the two separate accounting periods shall be made in proportion to the number of days in those periods.

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**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2002,  
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- (2) In the case of a straddling period, the Instalment Payment Regulations shall apply separately—
  - (a) in relation to any tax chargeable on the company under section 501A(1) of the Taxes Act 1988; and
  - (b) in relation to any other tax chargeable on the company.
- (3) In their application by virtue of paragraph (a) of subsection (2), the Instalment Payment Regulations shall have effect in relation to the tax mentioned in that paragraph as if—
  - (a) the deemed accounting period treated under subsection (1)(a) as beginning on 17th April 2002 were an accounting period for the purposes of those Regulations; and
  - (b) that tax were chargeable for that period.
- (4) Any reference in the Instalment Payment Regulations to the total liability of a company shall accordingly be construed—
  - (a) in their application by virtue of paragraph (a) of subsection (2), as a reference to the tax mentioned in that paragraph; and
  - (b) in their application by virtue of paragraph (b) of that subsection, as a reference to the amount that would be the company's total liability for the straddling period if the tax mentioned in paragraph (a) of that subsection were left out of account.
- (5) For the purposes of the Instalment Payment Regulations—
  - (a) a company shall be regarded as a large company as respects the deemed accounting period under subsection (3)(a) if, and only if, it is a large company for those purposes as respects the straddling period; and
  - (b) any question whether a company is a large company as respects the straddling period shall be determined as it would have been determined apart from section 501A of the Taxes Act 1988.
- (6) In this section “the Instalment Payment Regulations” has the same meaning as in section 92.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2002, Cross Heading:  
Supplementary charge in respect of ring fence trades.