



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XVII

TAX AVOIDANCE

[^{F1}CHAPTER I

CANCELLATION OF [^{F2}CORPORATION TAX] ADVANTAGES FROM CERTAIN TRANSACTIONS IN SECURITIES]

Textual Amendments

- F1** Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 94, Sch. 3 Pt. 1 (with Sch. 2)
- F2** Words in Pt. 17 Ch. 1 heading 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. 153 (with Sch. 2)

703 Cancellation of [^{F3}corporation tax] advantage.

^{F4}

Textual Amendments

- F3** Words in s. 703 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. 154(10) (with Sch. 2)
- F4** Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 94, Sch. 3 Pt. 1 (with Sch. 2)

704 The prescribed circumstances.

^{F5}

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

F5 Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 94, **Sch. 3 Pt. 1** (with Sch. 2)

705 Appeals against Board’s notices under section 703.

F6

Textual Amendments

F6 Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 94, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F7}705A Statement of case by tribunal for opinion of High Court.

F8

Textual Amendments

F7 Ss. 705A, 705B inserted (1.1.1994) by The General and Special Commissioners (Amendment of Enactments) Regulations 1994 (S.I. 1994/1813), reg. 1(1), **Sch. 1 para. 24**
F8 Ss. 705A, 705B, 706 omitted (1.4.2009) by virtue of The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 152**

705B Proceedings in Northern Ireland.

F9]

Textual Amendments

F7 Ss. 705A, 705B inserted (1.1.1994) by The General and Special Commissioners (Amendment of Enactments) Regulations 1994 (S.I. 1994/1813), reg. 1(1), **Sch. 1 para. 24**
F9 Ss. 705A, 705B, 706 omitted (1.4.2009) by virtue of The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 152**

706 The tribunal.

F10

Textual Amendments

F10 Ss. 705A, 705B, 706 omitted (1.4.2009) by virtue of The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 152**

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

707 Procedure for clearance in advance.

F11

Textual Amendments

- F11 Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 94, Sch. 3 Pt. 1 (with Sch. 2)

708 Power to obtain information.

F12

Textual Amendments

- F12 S. 708 omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 1, Sch. para. 19

709 Meaning of [^{F13}“corporation tax advantage”] and other expressions.

F14

Textual Amendments

- F13 Words in s. 709 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. 161(5) (with Sch. 2)
- F14 Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 94, Sch. 3 Pt. 1 (with Sch. 2)

CHAPTER II

TRANSFERS OF SECURITIES

Transfers with or without accrued interest: introductory

710 Meaning of “securities”, “transfer” etc. for purposes of sections 711 to 728.

F15

Textual Amendments

- F15 Ss. 710-727A 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. 162, Sch. 3 Pt. 1 (with Sch. 2)

711 Meaning of “interest”, “transfers with or without accrued interest” etc.

F16

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

F16 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

712 Meaning of “settlement day” for purposes of sections 711 to 728.

F17

Textual Amendments

F17 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

Transfers with or without accrued interest: charge to tax and reliefs

713 Deemed sums and reliefs.

F18

Textual Amendments

F18 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

714 Treatment of deemed sums and reliefs.

F19

Textual Amendments

F19 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

715 Exceptions from sections 713 and 714

F20

Textual Amendments

F20 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

716 Transfer of unrealised interest.

F21

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

F21 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

717 Variable interest rate.

F22

Textual Amendments

F22 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

718 Interest in default.

F23

Textual Amendments

F23 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

719 Unrealised interest in default

F24

Textual Amendments

F24 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

Transfers with or without accrued interest: supplemental

720 Nominees, trustees etc.

F25

Textual Amendments

F25 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

721 Death.

F26

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

F26 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

722 Trading stock.

F27

Textual Amendments

F27 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F28}722A Gilt strips: deemed transfer.

F29]

Textual Amendments

F28 S. 722A inserted (29.4.1996) by Finance Act 1996 (c. 8), **Sch. 40 para. 6**
F29 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

723 Foreign securities: delayed remittances

F30

Textual Amendments

F30 Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with Sch. 2)

724 Insurance companies.

F31

Textual Amendments

F31 S. 724 repealed (with effect in accordance with s. 105(1) of the repealing Act) by Finance Act 1996 (c. 8), **Sch. 41 Pt. 5(3)**, Note

^{F32}725

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

- F32** S. 725 repealed (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by 1993 c. 34, s. 213, **Sch. 23 Pt. III(12)** Note 5

F33 726

Textual Amendments

- F33** S. 726 repealed (for the year 1991-92 and subsequent years of assessment) by **Finance Act 1991 (c. 31, SIF 63:1)**, s. 123, **Sch. 19 Pt. V**, Note 6

[F34 726A New issues of securities.

F35

Textual Amendments

- F34** S. 726A inserted by **Finance Act 1991 (c. 31, SIF 63:1)**, s. 54, **Sch. 12 paras. 2, 5**
- F35** Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with **Sch. 2**)

727 Stock lending.

F36

Textual Amendments

- F36** Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with **Sch. 2**)

[F37 727A Exception for sale and repurchase of securities.

F38

Textual Amendments

- F37** S. 727A inserted (with effect in accordance with s. 79(3) of the amending Act) by **Finance Act 1995 (c. 4)**, s. 79(1) (with s. 79(4))
- F38** Ss. 710-727A 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. 162, **Sch. 3 Pt. 1** (with **Sch. 2**)

728 Information.

F39

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

- F39** S. 728 omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 1, Sch. para. 20

Other transfers of securities

729 Sale and repurchase of securities.

F40

Textual Amendments

- F40** S. 729 repealed (with effect in accordance with s. 159(1)(10) of the repealing Act) by Finance Act 1996 (c. 8), s. 159(1), Sch. 41 Pt. 5(21), Note; S.I. 1996/2646, art. 2

730 [^{F41}Transfers of rights to receive distributions in respect of shares]

F42

Textual Amendments

- F41** S. 730 heading substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by virtue of Finance (No. 2) Act 2005 (c. 22), Sch. 7 para. 2(12)
- F42** S. 730 omitted (with effect in accordance with Sch. 25 para. 10 of the repealing Act) by virtue of Finance Act 2009 (c. 10), Sch. 25 para. 9(1)(a)

[^{F43}730A Treatment of price differential on sale and repurchase of securities.

F44

Textual Amendments

- F43** Ss. 730A, 730B inserted (with effect in accordance with s. 80(5) of the amending Act) by Finance Act 1995 (c. 4), s. 80(1)
- F44** Ss. 730A, 730B repealed (with effect in accordance with S.I. 2007/2483, art. 3) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 4, Sch. 27 Pt. 2(14), Note

730B Interpretation of section 730A.

F45]

Textual Amendments

- F43** Ss. 730A, 730B inserted (with effect in accordance with s. 80(5) of the amending Act) by Finance Act 1995 (c. 4), s. 80(1)

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

F45 Ss. 730A, 730B repealed (with effect in accordance with S.I. 2007/2483, **art. 3**) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 4, **Sch. 27 Pt. 2(14)**, Note

[^{F46}**730BB**Exchange gains and losses on sale and repurchase of securities

^{F47}

Textual Amendments

F46 S. 730BB inserted (with effect in accordance with Sch. 38 para. 21(2) of the amending Act) by Finance Act 2003 (c. 14), **Sch. 38 para. 12**

F47 S. 730BB repealed (with effect in accordance with S.I. 2007/2483, **art. 3**) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 5, **Sch. 27 Pt. 2(14)**, Note

[^{F48}**730C**Exchanges of gilts: traders etc.

^{F49}

Textual Amendments

F48 S. 730C inserted (29.4.1996) by Finance Act 1996 (c. 8), **Sch. 40 para. 7**

F49 S. 730C 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. 301, **Sch. 3** (with Sch. 2)

Purchase and sale of securities

731 Application and interpretation of sections 732 to 734.

^{F50}

Textual Amendments

F50 Ss. 731-735 omitted (with effect in accordance with s. 66(6) of the repealing Act) by virtue of Finance Act 2008 (c. 9), s. **66(1)(c)** (subject to modification to s. 731 by Corporation Tax Act 2009 (c. 4), **Sch. 2 para. 144**)

732 Dealers in securities.

^{F51}

Textual Amendments

F51 Ss. 731-735 omitted (with effect in accordance with s. 66(6) of the repealing Act) by virtue of Finance Act 2008 (c. 9), s. **66(1)(c)**

733 Persons entitled to exemptions.

^{F52}

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

F52 Ss. 731-735 omitted (with effect in accordance with s. 66(6) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\), s. 66\(1\)\(c\)](#)

734 Persons other than dealers in securities.

F53

Textual Amendments

F53 Ss. 731-735 omitted (with effect in accordance with s. 66(6) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\), s. 66\(1\)\(c\)](#)

735 Meaning of “appropriate amount in respect of” interest.

F54

Textual Amendments

F54 Ss. 731-735 omitted (with effect in accordance with s. 66(6) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\), s. 66\(1\)\(c\)](#)

Miscellaneous provisions relating to securities

736 Company dealing in securities: distribution materially reducing value of holding.

F55

Textual Amendments

F55 S. 736 omitted (with effect in accordance with s. 66(7) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\), s. 66\(1\)\(d\)](#)

[^{F56}736A Manufactured dividends and interest.

F57]

Textual Amendments

F56 S. 736A inserted by [Finance Act 1991 \(c. 31, SIF 63:1\), s. 58\(1\)](#) (with effect as mentioned in s. 58(3) in relation to payments made on or after such day as may be specified: 26.2.1992 specified for certain purposes by [S.I. 1992/173, regs. 2\(a\)](#); 30.6.1992 specified for certain purposes by [S.I. 1992/1346, regs. 2, 3, 4](#); 21.4.1993 specified for certain purposes by [S.I. 1993/933, regs. 2, 3\(a\), 4\(1\)](#))

F57 S. 736A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 95, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

[^{F58}**736B** Deemed manufactured payments in the case of stock lending arrangements.

^{F59}

Textual Amendments

F58 S. 736B inserted (with effect in accordance with Sch. 10 para. 7(1) of the amending Act) by Finance Act 1997 (c. 16), **Sch. 10 para. 3**; S.I. 1997/991, **art. 2**

F59 S. 736B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 96, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F60}**736C** Deemed interest: cash collateral under stock lending arrangements

^{F61}

Textual Amendments

F60 S. 736C inserted (with effect in accordance with Sch. 6 para. 3(2)-(4) of the amending Act) by Finance Act 2006 (c. 25), **Sch. 6 para. 3(1)**

F61 S. 736C omitted (22.4.2009) by virtue of Finance Act 2009 (c. 10), Sch. 24 paras. 8(a)(i), **12** (with Sch. 24 paras. 13-16)

[^{F62}**736D** Quasi-stock lending arrangements and quasi-cash collateral

^{F63}

Textual Amendments

F62 S. 736D inserted (with effect in accordance with Sch. 6 para. 4(4) of the amending Act) by Finance Act 2006 (c. 25), **Sch. 6 para. 4(3)**

F63 S. 736D omitted (22.4.2009) by virtue of Finance Act 2009 (c. 10), Sch. 24 paras. 8(a)(ii), **12** (with Sch. 24 paras. 13-16)

737 **Manufactured dividends: treatment of tax deducted.**

^{F64}

Textual Amendments

F64 S. 737 repealed (with effect in accordance with Sch. 10 para. 16(1), Sch. 18 Pt. 6(10) Notes 3, 6 of the repealing Act) by Finance Act 1997 (c. 16), Sch. 10 para. 8, **Sch. 18 Pt. 6(10)** (with Sch. 10 para. 16(3)); S.I. 1997/991, **art. 2**

[^{F65}**737A** Sale and repurchase of securities: deemed manufactured payments.

^{F66}

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

- F65** Ss. 737A-737C inserted (3.5.1994) by [Finance Act 1994 \(c. 9\), s. 122](#)
- F66** Ss. 737A-737C repealed (with effect in accordance with S.I. 2007/2483, [art. 3](#)) by [Finance Act 2007 \(c. 11\), s. 47\(4\), Sch. 14 para. 7, Sch. 27 Pt. 2\(14\)](#), Note

737B Interpretation of section 737A.

F67

Textual Amendments

- F65** Ss. 737A-737C inserted (3.5.1994) by [Finance Act 1994 \(c. 9\), s. 122](#)
- F67** Ss. 737A-737C repealed (with effect in accordance with S.I. 2007/2483, [art. 3](#)) by [Finance Act 2007 \(c. 11\), s. 47\(4\), Sch. 14 para. 7, Sch. 27 Pt. 2\(14\)](#), Note

737C Deemed manufactured payments: further provisions.

F68]

Textual Amendments

- F65** Ss. 737A-737C inserted (3.5.1994) by [Finance Act 1994 \(c. 9\), s. 122](#)
- F68** Ss. 737A-737C repealed (with effect in accordance with S.I. 2007/2483, [art. 3](#)) by [Finance Act 2007 \(c. 11\), s. 47\(4\), Sch. 14 para. 7, Sch. 27 Pt. 2\(14\)](#), Note

Supplemental

[^{F69}737D Power to provide for manufactured payments to be eligible for relief.

F70

Textual Amendments

- F69** Ss. 737D, 737E inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 83\(1\)](#)
- F70** S. 737D omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\), Sch. 17 para. 35\(1\)](#)

737E [^{F71}Power to modify sections ^{F72}. . . 730A, 730BB and 737A to 737C]

F73]

Textual Amendments

- F69** Ss. 737D, 737E inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 83\(1\)](#)
- F71** S. 737E sidenote substituted (with effect in accordance with [Sch. 38 para. 21\(2\)](#) of the amending Act) by virtue of [Finance Act 2003 \(c. 14\), Sch. 38 para. 13\(4\)](#)
- F72** Words in s. 737E 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. 176\(4\), Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

F73 S. 737E repealed (with effect in accordance with S.I. 2007/2483, **art. 3**) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 8, **Sch. 27 Pt. 2(14)**, Note

738 Power to amend sections 732, 735 and 737.

F74

Textual Amendments

F74 S. 738 omitted (with effect in accordance with s. 66(6)-(8) of the repealing Act) by virtue of Finance Act 2008 (c. 9), s. **66(4)(a)**

CHAPTER III

TRANSFER OF ASSETS ABROAD

739 Prevention of avoidance of income tax.

F75

Textual Amendments

F75 Ss. 739-746 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. 177, **Sch. 3 Pt. 1** (with Sch. 2)

740 Liability of non-transferors.

F76

Textual Amendments

F76 Ss. 739-746 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. 177, **Sch. 3 Pt. 1** (with Sch. 2)

741 [^{F77}Exemption from sections 739 and 740 (transactions before 5th December 2005)]

F78

Textual Amendments

F77 S. 741 sidenote substituted (5.12.2005) by virtue of Finance Act 2006 (c. 25), **Sch. 7 para. 2(4)(5)**
F78 Ss. 739-746 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. 177, **Sch. 3 Pt. 1** (with Sch. 2)

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

[^{F79}741A Exemption from sections 739 and 740 (transactions on or after 5th December 2005)

F80

Textual Amendments

F79 S. 741A inserted (5.12.2005) by Finance Act 2006 (c. 25), Sch. 7 para. 3

F80 Ss. 739-746 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. 177, Sch. 3 Pt. 1 (with Sch. 2)

[^{F81}741B Application of sections 741 and 741A

F82

Textual Amendments

F81 Ss. 741B, 741C inserted (5.12.2005) by Finance Act 2006 (c. 25), Sch. 7 para. 4

F82 Ss. 739-746 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. 177, Sch. 3 Pt. 1 (with Sch. 2)

741C Cases where there are both old transactions and new transactions

F83

Textual Amendments

F81 Ss. 741B, 741C inserted (5.12.2005) by Finance Act 2006 (c. 25), Sch. 7 para. 4

F83 Ss. 739-746 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. 177, Sch. 3 Pt. 1 (with Sch. 2)

[^{F84}741D Section 739: just and reasonable apportionment in certain cases

F85

Textual Amendments

F84 S. 741D inserted (5.12.2005) by Finance Act 2006 (c. 25), Sch. 7 para. 5

F85 Ss. 739-746 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. 177, Sch. 3 Pt. 1 (with Sch. 2)

742 [^{F86} Interpretation of this Chapter]

F87

Textual Amendments

F86 S. 742 sidenote substituted (5.12.2005) by virtue of Finance Act 2006 (c. 25), Sch. 7 para. 6(5)(6)

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

F87 Ss. 739-746 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. 177, **Sch. 3 Pt. 1** (with Sch. 2)

743 Supplemental provisions.

F88

Textual Amendments

F88 Ss. 739-746 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. 177, **Sch. 3 Pt. 1** (with Sch. 2)

744 No duplication of charge.

F89

Textual Amendments

F89 Ss. 739-746 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. 177, **Sch. 3 Pt. 1** (with Sch. 2)

745 Power to obtain information.

F90

Textual Amendments

F90 Ss. 739-746 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. 177, **Sch. 3 Pt. 1** (with Sch. 2)

746 Persons resident in the Republic of Ireland.

F91

Textual Amendments

F91 Ss. 739-746 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. 177, **Sch. 3 Pt. 1** (with Sch. 2)

CHAPTER IV

CONTROLLED FOREIGN COMPANIES

Modifications etc. (not altering text)

C1 Pt. XVII Ch. IV (ss. 747-756) modified (27.7.1993) by 1993 c. 34, **s. 119(3)**

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- C2** Pt. 17 Ch. 4 modified (10.6.1999) by The Non-resident Companies (General Insurance Business) Regulations 1999 (S.I. 1999/1408), **regs. 3-6**
- C3** Pt. 17 Ch. 4 modified (20.7.2005) by Finance (No. 2) Act 2005 (c. 22), **s. 45(5)(6)**

747 Imputation of chargeable profits and creditable tax of controlled foreign companies

^{M1}(1) If ^{F92} . . . in any accounting period a company—

- (a) is resident outside the United Kingdom, and
- (b) is controlled by persons resident in the United Kingdom, and
- (c) is subject to a lower level of taxation in the territory in which it is resident,

^{F93} . . . the provisions of this Chapter shall apply in relation to that accounting period.

^{F94}(1A) A company which would not, apart from this subsection, fall to be regarded as controlled by persons resident in the United Kingdom shall be taken for the purposes of this Chapter to be so controlled if—

- (a) there are two persons who, taken together, control the company;
- (b) one of those persons is resident in the United Kingdom and is a person in whose case the 40 per cent test in section 755D(3) is satisfied; and
- (c) the other is a person in whose case the 40 per cent test in section 755D(4) is satisfied.]

^{F95}(1B) In determining, for the purposes of any provision of this Chapter except subsection (1) (a) above, whether a company is a person resident in the United Kingdom, [^{F96}section 18 of CTA 2009] (under which a company is treated as non-resident if it is so treated for double taxation relief purposes) shall be disregarded.]

(2) A company which falls within paragraphs (a) to (c) of subsection (1) above is in this Chapter referred to as a “controlled foreign company”.

(3) [^{F97}Subject to section 748, where] the provisions of this Chapter apply in relation to an accounting period of a controlled foreign company, the chargeable profits of that company for that period and its creditable tax (if any) for that period shall each be apportioned in accordance with section 752 among the persons (whether resident in the United Kingdom or not) who had an interest in that company at any time during that accounting period.

^{F98}(3A) In the case of an apportionment to a company resident in the United Kingdom which has made an application under section 751A [^{F99}, 751AA, 751AB or 751AC] which has been granted, subsection (3) above has effect subject to that section.]

(4) Where, on such an apportionment of a controlled foreign company’s chargeable profits for an accounting period as is referred to in subsection (3) above, an amount of those profits is apportioned to a company resident in the United Kingdom then, subject to subsection (5) below—

- (a) a sum equal to corporation tax at the appropriate rate on that apportioned amount of profits, less the portion of the controlled foreign company’s creditable tax for that period (if any) which is apportioned to the resident company, shall be [^{F100}chargeable on] the resident company as if it were an amount of corporation tax chargeable on that company; ^{F101} . . .
- (b) ^{F101}

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

and for the purposes of paragraph (a) above “the appropriate rate” means the rate of corporation tax applicable to profits of that accounting period of the resident company in which ends the accounting period of the controlled foreign company [^{F102}which is mentioned in subsection (1) above] or, if there is more than one such rate, the average rate over the whole of that accounting period of the resident company.

[^{F103}(4A) ^{F104}

(4B) ^{F104}]

(5) Tax shall not, by virtue of subsection (4) above, be [^{F105}chargeable on] a company resident in the United Kingdom unless, on the apportionment in question, the aggregate of—

(a) the amount of the controlled foreign company’s chargeable profits for the accounting period in question which is apportioned to the resident company, and

(b) any amounts of those chargeable profits which are apportioned to persons who are connected or associated with the resident company,

is at least [^{F106}25 per cent.] of the total of those chargeable profits.

[^{F107}(5A) Where the resident company has made an application under section 751A [^{F99}, 751AA, 751AB or 751AC] which has been granted, it shall be assumed for the purposes of subsection (5) above that—

(a) each of the persons who are connected or associated with the resident company has made an application under that section to the same effect, and

(b) all the applications have been granted.]

(6) In relation to a company resident outside the United Kingdom—

(a) any reference in this Chapter to its chargeable profits for an accounting period is a reference to the amount which, on the assumptions in Schedule 24, would be the amount of the total profits of the company for that period on which, after allowing for any deductions available against those profits, corporation tax would be chargeable;

[^{F108}(aa) any reference in this Chapter to its chargeable profits for an accounting period includes (subject to subsections (7) to (9)) income which accrues during that accounting period to the trustees of a settlement in relation to which the company is a settlor or a beneficiary;] and

(b) any reference in this Chapter to profits does not include a reference to chargeable gains but otherwise (except as provided by paragraph (a) above) has the same meaning as it has for the purposes of corporation tax.

[^{F109}(7) Where there is more than one settlor or beneficiary in relation to the settlement mentioned in subsection (6)(aa), the income is to be apportioned between the company and the other settlors or beneficiaries on a just and reasonable basis.

(8) Where income within subsection (6)(aa) is included in the chargeable profits of a company, any dividend or other distribution received by the company which derives from that income is not included in the chargeable profits of the company to the extent that it is so derived.

(9) Any income within subsection (6)(aa) which would (apart from this subsection)—

(a) be included in the chargeable profits of a company which is a beneficiary in relation to a settlement and apportioned under subsection (3), and

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (b) be included in the chargeable profits of a company which is a settlor in relation to the settlement and apportioned under that subsection,
 is not to be included in the chargeable profits of the company which is a settlor.]

Textual Amendments

- F92** Words in s. 747(1) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 1(2)(a), **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**
- F93** Words in s. 747(1) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 1(2)(b), **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**
- F94** S. 747(1A) inserted (21.3.2000) by Finance Act 2000 (c. 17), Sch. 31 paras. 3, **9(1)**
- F95** S. 747(1B) inserted (1.4.2002) by Finance Act 2002 (c. 23), **s. 90(1)(2)(a)** (with s. 90(2)(b))
- F96** Words in s. 747(1B) 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. 217** (with Sch. 2 Pts. 1, 2)
- F97** Words in s. 747(3) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 1(3)**; S.I. 1998/3173, **art. 2**
- F98** S. 747(3A) inserted (with effect in accordance with Sch. 15 para. 10 of the amending Act) by Finance Act 2007 (c. 11), **Sch. 15 para. 1(2)**
- F99** Words in s. 747(3A)(5A) substituted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 10(a)**
- F100** Words in s. 747(4)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 1(4)(a)**; S.I. 1998/3173, **art. 2**
- F101** S. 747(4)(b) and preceding 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. 178, **Sch. 3 Pt. 1** (with Sch. 2)
- F102** Words in s. 747(4) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 1(4)(b)**; S.I. 1998/3173, **art. 2**
- F103** S. 747(4A)(4B) inserted (1.5.1995) by Finance Act 1995 (c. 4), **Sch. 25 para. 3**
- F104** S. 747(4A)(4B) repealed (with effect in accordance with Sch. 4 para. 24(2) of the repealing Act) by Finance Act 2005 (c. 7), **Sch. 11 Pt. 2(6)**, Note
- F105** Words in s. 747(5) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 1(5)(a)**; S.I. 1998/3173, **art. 2**
- F106** Words in s. 747(5) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 1(5)(b)**; S.I. 1998/3173, **art. 2**
- F107** S. 747(5A) inserted (with effect in accordance with Sch. 15 para. 10 of the amending Act) by Finance Act 2007 (c. 11), **Sch. 15 para. 1(3)**
- F108** S. 747(6)(aa) inserted (with effect in accordance with s. 64(6)(9)-(11) of the amending Act) by Finance Act 2008 (c. 9), **s. 64(2)(a)**
- F109** S. 747(7)-(9) inserted (with effect in accordance with s. 64(6)(9)-(11) of the amending Act) by Finance Act 2008 (c. 9), **s. 64(2)(b)**

Modifications etc. (not altering text)

- C4** S. 747 restricted (28.7.2000) by Finance Act 2000 (c. 17), **Sch. 22 para. 54(1)**
- C5** S. 747 modified (with effect in accordance with Sch. 29 Pt. 14 of the modifying Act) by Finance Act 2002 (c. 23), **Sch. 29 para. 116**
- C6** S. 747A(4)(a) restricted (27.7.1999) by Commonwealth Development Corporation Act 1999 (c. 20), Sch. 3 paras. 1, **2(2)**; S.I. 2003/1282, **art. 2**
- C7** S. 747(6) applied (6.4.2007 with effect in accordance with s. 1034(1) of the affecting Act) by Income Tax Act 2007 (c. 3), **s. 725(3)** (with Sch. 2)

Marginal Citations

- M1** Source—1984 s.82

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

[^{F110}747A Special rule for computing chargeable profits.

^{F111}

Textual Amendments

F110 S. 747A inserted (1.5.1995) by Finance Act 1995 (c. 4), Sch. 25 para. 2

F111 S. 747A repealed (with effect in accordance with Sch. 4 para. 24(2) of the repealing Act) by Finance Act 2005 (c. 7), Sch. 4 para. 24(1), Sch. 11 Pt. 2(6), Note

748 [^{F112}Cases where section 747(3) does not apply.]

^{F113M2}(1) No apportionment under section 747(3) falls to be made as regards an accounting period of a controlled foreign company if—

- (a) ^{F114}
- (b) throughout that period the company is, within the meaning of Part II of [^{F115}Schedule 25], engaged in exempt activities; or

- ^{F116}(ba) the company is exempt for that period by virtue of Part 2A of that Schedule (exemption for trading companies with limited UK connection); or
- (bb) the company is exempt for that period by virtue of Part 2B of that Schedule (exemption for companies exploiting intellectual property with limited UK connection); or]

(c) ^{F117}

(d) the chargeable profits of the accounting period do not exceed [^{F118}£50,000] or, if the accounting period is less than 12 months, a proportionately reduced amount; [^{F119} or

^{F120} [the relevant profits for the accounting period, after any adjustment required by subsection (3C), do not exceed—

- (i) £200,000, or
- (ii) if the accounting period is less than 12 months, a proportionately reduced amount; or]

(e) as respects the accounting period, the company is, within the meaning of regulations made by the Board for the purposes of this paragraph, resident in a territory specified in the regulations and satisfies—

- (i) such conditions with respect to its income or gains as may be so specified; and
- (ii) such other conditions (if any) as may be so specified][^{F121};

or

(f) the accounting period ends during an exempt period in relation to the company (see Part 3A of Schedule 25).]

^{F122}(1A) Regulations under paragraph (e) of subsection (1) above may—

- (a) make different provision for different cases or with respect to different territories;
- (b) make provision having effect in relation to accounting periods of controlled foreign companies ending not more than one year before the date on which the regulations are made; and
- (c) contain such supplementary, incidental, consequential and transitional provision as the Board may think fit.]

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (2) ^{F123}
- (3) Notwithstanding that none of paragraphs (a) to [^{F124}(f)] of subsection (1) above applies to an accounting period of a controlled foreign company, [^{F125}no apportionment under section 747(3) falls to be made as regards that accounting period if it is the case that]
- (a) in so far as any of the transactions the results of which are reflected in the profits arising in that accounting period, [^{F126}or any two or more transactions taken together, the results of at least one of which are so reflected,] achieved a reduction in United Kingdom tax, either the reduction so achieved was minimal or it was not the main purpose or one of the main purposes of that transaction or, as the case may be, of those transactions taken together to achieve that reduction, and
 - (b) it was not the main reason or, as the case may be, one of the main reasons for the company's existence in that accounting period to achieve a reduction in United Kingdom tax by a diversion of profits from the United Kingdom,
- and Part IV of Schedule 25 shall have effect with respect to the preceding provisions of this subsection.
- [^{F127}(3A) The reference in subsection (1)(da) to the relevant profits for an accounting period are to the sum of—
- (a) the profits of the company for that period calculated in accordance with generally accepted accounting practice (disregarding any exempt distributions and any capital gains or losses), before any adjustment required or authorised by law in calculating chargeable profits,
 - (b) any amount which accrues during that period to the trustees of a settlement in relation to which the company is a settlor or a beneficiary, and
 - (c) the company's share of any income which accrues during that period to a partnership of which the company is a partner.
- (3B) For the purposes of subsection (3A)—
- (a) “exempt distribution” means a distribution (within the meaning of Part 23 of CTA 2010) which would be excluded from the company's chargeable profits by reason of it being exempt for the purposes of Part 9A of CTA 2009 (company distributions),
 - (b) where there is more than one settlor or beneficiary in relation to the settlement mentioned in subsection (3A)(b), the income is to be apportioned between the company and the other settlors or beneficiaries on a just and reasonable basis, and
 - (c) the company's share of any income which accrues to a partnership as mentioned in subsection (3A)(c) is to be determined by apportioning that income between the company and the other partners on a just and reasonable basis;
- and in subsection (3A) and this subsection “partnership” includes an entity established under the law of a country or territory outside the United Kingdom of a similar character to a partnership; and “partner” is to be read accordingly.
- (3C) For the purposes of subsection (1)(da), Part 4 of TIOPA 2010 (transfer pricing) applies in relation to the calculation of the relevant profits for the accounting period as it applies in relation to the calculation of the chargeable profits for that period.

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

(3D) But where the difference made in the amount of the relevant profits for the period as a result of the application of subsection (3C) would (disregarding this subsection) not exceed £50,000, no adjustment under that subsection is to be made.]

[^{F128}(4) ^{F129}

(5) ^{F129}]

[^{F130}(6) This section is subject to [^{F131}sections 748ZA and] 748A.]

Textual Amendments

- F112** S. 748 sidenote substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 3(9)**; S.I. 1998/3173, **art. 2**
- F113** Words in s. 748(1) substituted (with effect in accordance with Sch. 17 para 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 3(2)**; S.I. 1998/3173, **art. 2**
- F114** S. 748(1)(a) and word omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 1(2)**
- F115** Words in s. 748(1)(b) substituted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 1(2)**
- F116** S. 748(1)(ba)(bb) inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 1(3)**
- F117** S. 748(1)(c) and word repealed (with effect in accordance with Sch. 15 para. 10 of the repealing Act) by Finance Act 2007 (c. 11), Sch. 15 para. 8(1), **Sch. 27 Pt. 2(15)**, Note
- F118** Words in s. 748(1)(d) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 3(3)**; S.I. 1998/3173, **art. 2**
- F119** S. 748(1)(e) and preceding word inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 3(4)**; S.I. 1998/3173, **art. 2**
- F120** S. 748(1)(da) inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 4(2)**
- F121** S. 748(1)(f) and preceding word inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 6(2)**
- F122** S. 748(1A) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 3(5)**; S.I. 1998/3173, **art. 2**
- F123** S. 748(2) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 3(27)**; S.I. 1998/3173, **art. 2**
- F124** Word in s. 748(3) substituted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 6(3)**
- F125** Words in s. 748(3) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 3(8)**; S.I. 1998/3173, **art. 2**
- F126** Words in s. 748(3)(a) substituted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 2**
- F127** S. 748(3A)-(3D) inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 4(3)**
- F128** S. 748(4)(5) inserted (1.5.1995) by Finance Act 1995 (c. 4), **Sch. 25 para. 4**
- F129** S. 748(4)(5) repealed (with effect in accordance with Sch. 4 para. 24(2) of the repealing Act) by Finance Act 2005 (c. 7), **Sch. 11 Pt. 2(6)**, Note
- F130** S. 748(6) inserted (with effect in accordance with s. 89(3) of the amending Act) by Finance Act 2002 (c. 23), **s. 89(1)**
- F131** Words in s. 748(6) substituted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by virtue of Finance Act 2011 (c. 11), **Sch. 12 para. 4(4)**

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Marginal Citations

M2 Source—1984 s.83

[^{F132}748ZA] Exclusion of small profits exemptions

- (1) Nothing in section 748(1)(da) prevents an apportionment falling to be made as regards an accounting period (“the relevant accounting period”) of a controlled foreign company (“X”) if condition A, B or C is met.
- (2) Condition A is that at any time before the end of the relevant accounting period a scheme is entered into and—
 - (a) in the absence of this subsection, in consequence of the scheme, section 748(1)(da) would apply to prevent an apportionment falling to be made as regards the relevant accounting period of X, and
 - (b) the main purpose, or one of the main purposes, of any party to the scheme in entering into the scheme is to secure that section 748(1)(da) prevents an apportionment falling to be made as regards that period, or that period and one or more other accounting periods of X.
- (3) Condition B is that at any time before the end of the relevant accounting period a scheme is entered into and—
 - (a) in consequence of the scheme profits are shifted to X from another company (“Y”),
 - (b) the main purpose or one of the main purposes of any party to the scheme in entering into the scheme is to ensure that section 748(1)(da) prevents an apportionment falling to be made as regards the chargeable profits of one or more controlled foreign companies for one or more accounting periods, and
 - (c) the relevant accounting period of X falls wholly or partly within that accounting period or those accounting periods.
- (4) For the purposes of subsection (3), profits are shifted to X from Y if it is reasonable to suppose that in the absence of the scheme, and any similar scheme, the whole or a part of the income which is reflected in X's profits would have been reflected in Y's profits.
- (5) Condition C is that, in determining X's chargeable profits for the relevant accounting period—
 - (a) [^{F133}section 418(5) of CTA 2009 (loan relationships involving connected debtor and creditor where debits exceed credits) has effect so as to treat X, for the purposes of Part 5 of that Act, as bringing into account for that period credits in respect of a loan relationship, or]
 - (b) Part 21B of CTA 2010 (group mismatch schemes) has effect so as to exclude an amount from being brought into account as a debit or credit for the purposes of Part 5 of CTA 2009 (loan relationships) or Part 7 of that Act (derivative contracts).
- (6) For the purposes of this section—

“apportionment” means an apportionment under section 747(3);

“scheme” means any scheme, arrangements or understanding of any kind whatever, whether or not legally enforceable, involving one or more transactions.]

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

F132 S. 748ZA inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), Sch. 12 para. 5

F133 S. 748ZA(5)(a) omitted (with effect in accordance with Sch. 5 paras. 6(3), 7(3)(4) of the repealing Act) by Finance Act 2011 (c. 11), Sch. 5 para. 7(2)(a)

[^{F134}748A] Territorial exclusions from exemption under section 748

- (1) Nothing in section 748 prevents an apportionment under section 747(3) falling to be made as regards an accounting period of a controlled foreign company if the company—
 - (a) is a company incorporated in a territory to which this section applies as respects that accounting period; or
 - (b) is at any time in that accounting period liable to tax in such a territory by reason of domicile, residence or place of management; or
 - (c) at any time in that accounting period carries on business through a [^{F135}permanent establishment] in such a territory.
- (2) The condition in subsection (1)(c) above is not satisfied as regards an accounting period of a controlled foreign company if the business carried on by the company in that period through [^{F135}permanent establishments] in territories to which this section applies, taken as a whole, is only a minimal part of the whole of the business carried on by the company in that period.
- (3) The territories to which this section applies as respects an accounting period of a controlled foreign company are those specified as such in regulations made by the Treasury.
- (4) Regulations under subsection (3) above—
 - (a) may make different provision for different cases or with respect to different territories; and
 - (b) may contain such incidental, supplemental, consequential or transitional provision as the Treasury may think fit.
- (5) A statutory instrument containing regulations under subsection (3) above shall not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the House of Commons.]

Textual Amendments

F134 S. 748A inserted (with effect in accordance with s. 89(3) of the amending Act) by Finance Act 2002 (c. 23), s. 89(2)

F135 Words in s. 748A(1)(c)(2) substituted (with effect in accordance with s. 153(4) of the amending Act) by Finance Act 2003 (c. 14), s. 153(1)(a)

[^{F136}749] Residence.

- (1) Subject to subsections (2) to (4) and (6) below, in any accounting period in which a company is resident outside the United Kingdom, it shall be regarded for the purposes

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

of this Chapter as resident in that territory in which, throughout that period, it is liable to tax by reason of domicile, residence or place of management.

- (2) If, in the case of any company,—
- (a) there are in any accounting period two or more territories falling within subsection (1) above, and
 - (b) no election or designation made under paragraph (d) or (e) of subsection (3) below in relation to an earlier accounting period of the company has effect by virtue of section 749A(1) in relation to that accounting period,
- subsection (3) below shall apply with respect to that company and that accounting period.
- (3) Where this subsection applies, the company shall in that accounting period be regarded for the purposes of this Chapter as resident in only one of those territories, namely—
- (a) if, throughout the accounting period, the company's place of effective management is situated in one of those territories only, in that territory;
 - (b) if, throughout the accounting period, the company's place of effective management is situated in two or more of those territories, in that one of them in which, at the end of the accounting period, the greater amount of the company's assets is situated;
 - (c) if neither paragraph (a) nor paragraph (b) above applies, in that one of the territories falling within subsection (1) above in which, at the end of the accounting period, the greater amount of the company's assets is situated;
 - (d) if—
 - (i) paragraph (a) above does not apply, and
 - (ii) neither paragraph (b) nor paragraph (c) above produces one, and only one, of those territories,
 in that one of them (if any) which is specified in an election made in relation to that accounting period by any one or more persons who together have a majority assessable interest in the company in that accounting period; and
 - (e) if, in a case falling within paragraph (d) above, the time by which any election under that paragraph in relation to that accounting period must be made in accordance with section 749A(3)(b) expires without such an election having been made, in that one of those territories which the Board justly and reasonably designates in relation to that accounting period.
- (4) If, in the case of any company,—
- (a) there are in any accounting period two or more territories falling within subsection (1) above, and
 - (b) an election or designation made under paragraph (d) or (e) of subsection (3) above in relation to an earlier accounting period of the company has effect by virtue of section 749A(1) in relation to the accounting period mentioned in paragraph (a) above,
- the company shall in that accounting period be regarded for the purposes of this Chapter as resident in that one of those territories which is the subject of the election or designation.
- (5) If, in the case of any company, there is in any accounting period no territory falling within subsection (1) above, then, for the purposes of this Chapter, it shall be conclusively presumed that the company is in that accounting period resident in a territory in which it is subject to a lower level of taxation.

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (6) In any case where it becomes necessary for the purposes of subsection (3) above to determine in which of two or more territories the greater amount of a company's assets is situated at the end of an accounting period—
- (a) account shall be taken only of those assets which, immediately before the end of that period, are situated in those territories; and
 - (b) the amount of them shall be determined by reference to their market value at that time.
- (7) This section is without prejudice to the provision that may be made in regulations under section 748(1)(e).
- (8) For the purposes of this section, one or more persons together have a "majority assessable interest" in a controlled foreign company in an accounting period of the company if—
- (a) each of them has an assessable interest in the company in that accounting period; and
 - (b) it is likely that, were an apportionment of the chargeable profits of the company for that accounting period made under section 747(3), the aggregate of the amounts which would be apportioned to them is greater than 50 per cent. of the aggregate of the amounts which would be apportioned to all the persons who have an assessable interest in the company in that accounting period.
- (9) For the purposes of subsection (8) above, a person has an "assessable interest" in a controlled foreign company in an accounting period of the company if he is one of the persons who it is likely would be chargeable to tax under section 747(4)(a) on an apportionment of the chargeable profits and creditable tax (if any) of the company for that accounting period under section 747(3).
- [^{F137}(10) For the purposes of subsection (8) and (9) above, the effect of any application under section 751A [^{F138}, 751AA, 751AB or 751AC] shall be disregarded.]]

Textual Amendments

F136 Ss. 749-749B substituted for s. 749 (with effect in accordance with [Sch. 17 para. 37](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 17 para. 4](#); [S.I. 1998/3173](#), [art. 2](#)

F137 [S. 749\(10\)](#) inserted (with effect in accordance with [Sch. 15 para. 10](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 15 para. 2](#)

F138 Words in [s. 749\(10\)](#) substituted (with effect in accordance with [Sch. 12 para. 14\(2\)](#) of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 12 para. 10\(b\)](#)

[^{F139}749AElections and designations under section 749: supplementary provisions.

- (1) An election under paragraph (d) or a designation under paragraph (e) of section 749(3) shall have effect in relation to—
- (a) the accounting period in relation to which it is made ("the original accounting period"), and
 - (b) each successive accounting period of the controlled foreign company in question which precedes the next one in which the eligible territories are different,

and shall so have effect notwithstanding any change in the persons who have interests in the company or any change in the interests which those persons have in the company.

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (2) For the purposes of subsection (1)(b) above, an accounting period of the controlled foreign company is one in which the eligible territories are different if in the case of that accounting period—
- (a) at least one of the two or more territories which fell within subsection (1) of section 749 in the original accounting period does not fall within that subsection; or
 - (b) some other territory also falls within that subsection.
- (3) Any election under section 749(3)(d)—
- (a) must be made by notice given to an officer of the Board;
 - (b) must be made no later than twelve months after the end of the controlled foreign company's accounting period in relation to which it is made;
 - (c) must state, as respects each of the persons making it, the percentage of the chargeable profits and creditable tax (if any) of the controlled foreign company for that accounting period which it is likely would be apportioned to him on an apportionment under section 747(3) if one were made;
 - (d) must be signed by the persons making it; and
 - (e) is irrevocable.
- (4) Nothing in—
- (a) paragraph 10 of Schedule 18 to the Finance Act 1998 (claims or elections in company tax returns), or
 - (b) Schedule 1A to the Management Act (claims or elections not included in returns),
- shall apply, whether by virtue of section 754 or otherwise, to an election under section 749(3)(d).
- (5) A designation under section 749(3)(e) is irrevocable.
- (6) Where the Board make a designation under section 749(3)(e), notice of the making of the designation shall be given to every company resident in the United Kingdom which appears to the Board to have had an assessable interest in the controlled foreign company at any time during the accounting period of the controlled foreign company in relation to which the designation is made.
- (7) A notice under subsection (6) above shall specify—
- (a) the date on which the designation was made;
 - (b) the controlled foreign company to which the designation relates;
 - (c) the accounting period of the controlled foreign company in relation to which the designation is made; and
 - (d) the territory designated.
- (8) Subsection (9) of section 749 has effect for the purposes of subsection (6) above as it has effect for the purposes of subsection (8) of that section.

[For the purposes of this section the effect of any application under section 751A [^{F141}, ^{F140}(9) 751AA, 751AB or 751AC] shall be disregarded.]]

Textual Amendments

F139 Ss. 749-749B substituted for s. 749 (with effect in accordance with [Sch.17 para. 37](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 17 para. 4](#); S.I. 1998/3173, [art. 2](#)

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

F140 S. 749A(9) inserted (with effect in accordance with Sch. 15 para. 10 of the amending Act) by Finance Act 2007 (c. 11), Sch. 15 para. 3

F141 Words in s. 749A(9) substituted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), Sch. 12 para. 10(c)

[^{F139}749] **Interests in companies.**

- (1) For the purposes of this Chapter, the following persons have an interest in a company—
 - (a) any person who possesses, or is entitled to acquire, share capital or voting rights in the company;
 - (b) any person who possesses, or is entitled to acquire, a right to receive or participate in distributions of the company;
 - (c) any person who is entitled to secure that income or assets (whether present or future) of the company will be applied directly or indirectly for his benefit; and
 - (d) any other person who, either alone or together with other persons, has control of the company.
- (2) Rights which a person has as a loan creditor of a company do not constitute an interest in the company for the purposes of this Chapter.
- (3) For the purposes of subsection (1)(b) above, the definition of “distribution” in [^{F142}Part 23 of CTA 2010] shall be construed without any limitation to companies resident in the United Kingdom.
- (4) References in subsection (1) above to being entitled to do anything apply where a person—
 - (a) is presently entitled to do it at a future date, or
 - (b) will at a future date be entitled to do it;but a person whose entitlement to secure that any income or assets of the company will be applied as mentioned in paragraph (c) of that subsection is contingent upon a default of the company or any other person under any agreement shall not be treated as falling within that paragraph unless the default has occurred.
- (5) Where a company has an interest in another company and a third person has, or two or more persons together have, an interest in the first company (as in a case where one company has a shareholding in a controlled foreign company and the first company is controlled by a third company or by two or more persons together) subsections (6) and (7) below apply.
- (6) Where this subsection applies, the person who has, or each of the persons who together have, the interest in the first company shall be regarded for the purposes of this Chapter as thereby having an interest in the second company.
- (7) In any case where this subsection applies, in construing references in this Chapter to one person having the same interest as another, the person or, as the case may be, each of the persons who together have, the interest in the first company shall be treated as having, to the extent of that person’s interest in that company, the same interest as the first company has in the second company.
- (8) Where two or more persons jointly have an interest in a company otherwise than in a fiduciary or representative capacity, they shall be treated for the purposes of this Chapter as having the interest in equal shares.]

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

- F139** Ss. 749-749B substituted for s. 749 (with effect in accordance with [Sch. 17 para. 37](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 17 para. 4](#); S.I. 1998/3173, [art. 2](#)
- F142** Words in [s. 749B\(3\)](#) substituted (1.4.2010 with effect in accordance with [s. 1184\(1\)](#) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 97](#) (with [Sch. 2](#))

Modifications etc. (not altering text)

- C8** [S. 749B](#) applied by [Corporation Tax Act 2009 \(c. 4\)](#), [s. 18H\(5\)](#) (as inserted (19.7.2011) by [Finance Act 2011 \(c. 11\)](#), [Sch. 13 paras. 4, 31](#))

750 Territories with a lower level of taxation.

^{M3}(1) Without prejudice to [^{F143}subsection (5)] of section 749, a company which, by virtue of [^{F144}any of subsections (1) to (4)] of that section, is to be regarded as resident in a particular territory outside the United Kingdom shall be considered to be subject to a lower level of taxation in that territory if [^{F145}, after giving effect to subsections (1A) and (1B) below,] the amount of tax (“the local tax”) which is paid under the law of that territory in respect of the profits of the company which arise in any accounting period is less than [^{F146}three-quarters] of the corresponding United Kingdom tax on those profits.

[^{F147}(1A) If in the case of that accounting period there is any income, or any income and any expenditure, of the company—

- (a) which is brought into account in determining the profits of the company in respect of which tax is paid under the law of that territory, but
- (b) which does not also fall to be brought into account in determining the chargeable profits of the company,

the local tax shall be treated for the purposes of this Chapter as reduced to what it would have been had that income and any such expenditure not been so brought into account.

(1B) If—

- (a) under the law of that territory any tax (“the company's tax”) falls to be paid by the company in respect of profits of the company arising in that accounting period,
- (b) under that law, any repayment of tax, or any payment in respect of a credit for tax, is made to a person other than the company, and
- (c) that payment or repayment is directly or indirectly in respect of the company's tax,

the local tax shall be treated for the purposes of this Chapter as reduced (or further reduced) by the amount of that payment or repayment.]

(2) For the purposes of this Chapter, the amount of the corresponding United Kingdom tax on the profits arising in an accounting period of a company resident outside the United Kingdom is the amount of corporation tax which, on the assumptions set out in Schedule 24 and subject to subsection (3) below, would be chargeable in respect of the chargeable profits of the company for that accounting period.

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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) In determining the amount of corporation tax which, in accordance with subsection (2) above, would be chargeable in respect of the chargeable profits of an accounting period of a company resident outside the United Kingdom—
- [^{F148}(a) it shall be assumed for the purposes of Schedule 24 that an apportionment under section 747(3) falls to be made as regards that period; and]
 - [^{F149}(ab) there shall be disregarded the effect of any application under section 751A [^{F150}, 751AA, 751AB or 751AC]; and]
 - (b) there shall be disregarded so much of any relief from corporation tax in respect of income as would be attributable to the local tax and would fall to be given by virtue of any provision of [^{F151}Part 2 of TIOPA 2010 (double taxation relief)]^{F152}. . . ; and
 - (c) there shall be deducted from what would otherwise be the amount of that corporation tax—
 - (i) any amount which (on the assumptions set out in Schedule 24) would fall to be set off against corporation tax by virtue of [^{F153}section 967 of CTA 2010]; and
 - (ii) any amount of income tax or corporation tax actually charged in respect of any of those chargeable profits.
- (4) The references in subsection (3)(c) above to an amount falling to be set off or an amount actually charged do not include so much of any such amount as has been or falls to be repaid to the company whether on the making of a claim or otherwise.

- [^{F154}(5) ^{F155}]
- (6) ^{F155}
- (7) ^{F155}
- (8) ^{F155}]

Textual Amendments

- F143** Words in s. 750(1) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 5(2)(a)**; S.I. 1998/3173, **art. 2**
- F144** Words in s. 750(1) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 5(2)(b)**; S.I. 1998/3173, **art. 2**
- F145** Words in s. 750(1) inserted (with effect in accordance with s. 44(4)-(6) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **s. 44(2)**
- F146** Words in s. 750(1) substituted (27.7.1993 with application in relation to accounting periods beginning on or after 16.3.1993) by 1993 c. 34, **s. 119(1)(2)**
- F147** S. 750(1A)(1B) inserted (with effect in accordance with s. 44(4)-(6) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **s. 44(3)**
- F148** S. 750(3)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 5(3)**; S.I. 1998/3173, **art. 2**
- F149** S. 750(3)(ab) inserted (with effect in accordance with Sch. 15 para. 10 of the amending Act) by Finance Act 2007 (c. 11), **Sch. 15 para. 4**
- F150** Words in s. 750(3)(ab) substituted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 10(d)**
- F151** Words in s. 750(3)(b) substituted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), **Sch. 8 para. 10** (with Sch. 9)
- F152** Words in s. 750(3)(b) repealed (with effect in accordance with Sch. 30 of the repealing Act) by Finance Act 2000 (c. 17), **Sch. 40 Pt. 2(13)**, Note

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

F153 Words in s. 750(3)(c)(i) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 98** (with Sch. 2)

F154 S. 750(5)-(8) inserted (1.5.1995) by Finance Act 1995 (c. 4), **Sch. 25 para. 5**

F155 S. 750(5)-(8) repealed (with effect in accordance with Sch. 4 para. 24(2) of the repealing Act) by Finance Act 2005 (c. 7), **Sch. 11 Pt. 2(6)**, Note

Marginal Citations

M3 Source—1984 s.85

[^{F156}750A Deemed lower level of taxation: designer rate tax provisions.

(1) Where—

- (a) in any accounting period a company is to be regarded by virtue of any of subsections (1) to (4) of section 749 as resident in a particular territory outside the United Kingdom, and
- (b) within the meaning of section 750(1), the local tax in respect of the profits arising to the company in that accounting period is equal to or greater than three-quarters of the corresponding United Kingdom tax on those profits, but
- (c) that local tax is determined under designer rate tax provisions,

the company shall be taken for the purposes of this Chapter to be subject to a lower level of taxation in that territory in that accounting period.

(2) In subsection (1) above “designer rate tax provisions” means provisions—

- (a) which appear to the Board to be designed to enable companies to exercise significant control over the amount of tax which they pay; and
- (b) which are specified in regulations made by the Board.

(3) Regulations under subsection (2) above—

- (a) may make different provision for different cases or with respect to different territories; and
- (b) may contain such supplementary, incidental, consequential or transitional provision as the Board may think fit.

(4) The first regulations under subsection (2) above may make provision having effect in relation to accounting periods beginning not more than fifteen months before the date on which the regulations are made.]

Textual Amendments

F156 S. 750A inserted (with effect in accordance with Sch. 31 para. 9(2) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 3**

751 Accounting periods and creditable tax

^{M4}(1) For the purposes of this Chapter, an accounting period of a company resident outside the United Kingdom shall begin—

- (a) whenever the company comes under the control of [^{F157}persons] resident in the United Kingdom;

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (b) whenever the company ^{F158} . . . commences to carry on business [^{F159}unless an accounting period of the company has previously begun as respects which an apportionment under section 747(3) falls or has fallen to be made]; and
 - (c) whenever an accounting period of the company ends without the company then ceasing either to carry on business or to have any source of income whatsoever.
- (2) For the purposes of this Chapter, an accounting period of a company resident outside the United Kingdom shall end if and at the time when—
- (a) the company ceases to be under the control of persons resident in the United Kingdom; or
 - (b) the company becomes, or ceases to be, liable to tax in a territory; or
 - ^{F160}(bb) ^{F161}]
 - (c) the company ceases to have any source of income whatsoever;
- and for the purposes of paragraph (b) above “liable to tax” means liable to tax by reason of domicile, residence or place of management.
- (3) Without prejudice to subsections (1) and (2) above, [^{F162}sections 10(1) and (5), 11(1) and (2) and 12 of CTA 2009] shall apply for the purposes of this Chapter as they apply for the purposes of corporation tax, but with the omission of so much of those provisions as relates to a company coming or ceasing to be within the charge to corporation tax.
- (4) Where it appears to the Board that the beginning or end of any accounting period of a company resident outside the United Kingdom is uncertain, [^{F163}the Board may by notice] specify as an accounting period of the company such period, not exceeding 12 months, as appears to the Board to be appropriate, and that period shall be treated for the purposes of this Chapter as an accounting period of the company unless [^{F164}the notice] is subsequently amended under subsection (5) below.
- (5) If, on further facts coming to the knowledge of the Board after the [^{F165}giving of a notice under subsection (4) above], it appears to the Board that any accounting period specified in the [^{F166}notice] is not the true accounting period, the Board shall amend the [^{F166}notice] so as to specify the true period.
- ^{F167}(5A) Any notice under subsection (4) above, and notice of any amendment of such a notice under subsection (5) above, shall be given to every person who has an assessable interest (as defined in section 749(9)) in the company in the accounting period in question.]
- (6) In this Chapter, in relation to an accounting period of a controlled foreign company [^{F168}as regards which an apportionment under section 747(3) falls to be made], the creditable tax means the aggregate of—
- (a) the amount of any relief from corporation tax in respect of income which (on the assumptions set out in Schedule 24 and assuming the company to be liable for corporation tax on the chargeable profits of that accounting period) would fall to be given to the company by virtue of any provision of [^{F169}Part 2 of TIOPA 2010 (double taxation relief)] in respect of foreign tax attributable to any income which is brought into account in determining those chargeable profits; and
 - (b) any amount which (on those assumptions) would fall to be set off against corporation tax on those chargeable profits by virtue of [^{F170}section 967 of CTA 2010]; and

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (c) the amount of any income tax or corporation tax actually charged in respect of the chargeable profits of that accounting period, less any of that tax which has been or falls to be repaid to the company, whether on the making of a claim or otherwise.

Textual Amendments

- F157** 1990 s.89 and Sch.14 para.9 (*correction of errors*)—*deemed always to have had effect. Previously “the persons”.*
- F158** Words in s. 751(1)(b) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 6(2)(a), **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**
- F159** Words in s. 751(1)(b) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 6(2)(b)**; S.I. 1998/3173, **art. 2**
- F160** 1990 s.67(2), (4) *on and after 20 March 1990.*
- F161** S. 751(2)(bb) repealed (retrospective to 30.11.1993) by Finance Act 1994 (c. 9), s. 251(1)(4), **Sch. 26 Pt. 8**, Note
- F162** Words in s. 751(3) 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. 218** (with Sch. 2 Pts. 1, 2)
- F163** Words in s. 751(4) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by virtue of Finance Act 1998 (c. 36), **Sch. 17 para. 6(3)(a)**; S.I. 1998/3173, **art. 2**
- F164** Words in s. 751(4) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by virtue of Finance Act 1998 (c. 36), **Sch. 17 para. 6(3)(b)**; S.I. 1998/3173, **art. 2**
- F165** Words in s. 751(5) substituted (with effect in accordance with Sch. 17 para. 37 of amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 6(4)(a)**; S.I. 1998/3173, **art. 2**
- F166** Words in s. 751(5) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 6(4)(b)**; S.I. 1998/3173, **art. 2**
- F167** S. 751(5A) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 6(5)**; S.I. 1998/3173, **art. 2**
- F168** Words in s. 751(6) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 6(6)**; S.I. 1998/3173, **art. 2**
- F169** Words in s. 751(6)(a) substituted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), **Sch. 8 para. 11** (with Sch. 9)
- F170** Words in s. 751(6)(b) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 99** (with Sch. 2)

Modifications etc. (not altering text)

- C9** S. 751(1)-(5A) applied (6.4.2007 with effect in accordance with s. 1034(1) of the affecting Act) by Income Tax Act 2007 (c. 3), **s. 725(3)** (with Sch. 2)

Marginal Citations

- M4** Source—1984 s.86

751A Reduction in chargeable profits for certain activities of EEA business establishments

- (1) This section applies if—
- (a) an apportionment under section 747(3) falls to be made as regards an accounting period (“the relevant accounting period”) of a controlled foreign company,
 - (b) throughout that period the controlled foreign company has a business establishment in an EEA territory,

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (c) throughout that period there are individuals who work for the controlled foreign company in that territory, and
 - (d) a company resident in the United Kingdom (“the UK resident company”) has a relevant interest in the controlled foreign company in that period.
- (2) The UK resident company may make an application to the Commissioners for Her Majesty's Revenue and Customs for the chargeable profits of the controlled foreign company for the relevant accounting period to be reduced by an amount (“the specified amount”) specified in the application (including to nil).
- (3) If the Commissioners grant the application—
- (a) those chargeable profits are treated as reduced by the specified amount, and
 - (b) the controlled foreign company's creditable tax (if any) for that period is treated as reduced by so much of that tax as, on a just and reasonable basis, relates to the reduction in those chargeable profits,
- for the purpose of applying section 747(3) to (5) for determining the sum (if any) chargeable on the UK resident company under section 747(4)(a) (but for no other purpose).
- [^{F171}(4) The Commissioners may grant the application only if—
- (a) they are satisfied that the specified amount does not exceed the amount (if any) equal to so much of those chargeable profits as can reasonably be regarded as representing the net economic value which—
 - (i) arises to the appropriate body of persons (taken as a whole), and
 - (ii) is created directly by qualifying work, and
 - (b) they have not previously granted an application made by the UK resident company in respect of the relevant accounting period under section 751AB or 751AC.]
- (5) For the purposes of subsection (4) “net economic value” does not include any value which derives directly or indirectly from the reduction or elimination of any liability of any person to any tax or duty imposed under the law of any territory.
- (6) For the purposes of subsection (4) “the appropriate body of persons” means—
- (a) if the controlled foreign company is not a member of a group of companies, the controlled foreign company and the persons who have an interest in it at any time in the relevant accounting period, and
 - (b) if the controlled foreign company is a member of a group of companies, all the persons falling within paragraph (a) and any other person who is a member of that group of companies,
- and for the purposes of this subsection “group of companies” means a company and any other companies of which it has control.
- (7) For the purposes of subsection (4) “qualifying work” means work which—
- (a) is done in any EEA territory in which the controlled foreign company has a business establishment throughout the relevant accounting period, and
 - (b) is done in that territory by individuals working for the controlled foreign company there.
- (8) Any reference in this section to a business establishment of a controlled foreign company in an EEA territory is to be construed in accordance with paragraph 7 of Schedule 25 (but as if the reference in that paragraph to the territory in which the company is resident were to the EEA territory).

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (9) For the purposes of this section individuals are not to be regarded as working for a company in any territory unless—
- (a) they are employed by the company in the territory, or
 - (b) they are otherwise directed by the company to perform duties on its behalf in the territory.

Textual Amendments

F171 S. 751A(4) substituted (with effect in accordance with [Sch. 12 para. 14\(2\)](#) of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 12 para. 11](#)

[^{F172}751A] Reduction in chargeable profits for certain financing income

- (1) This section applies if—
- (a) an apportionment under section 747(3) falls to be made as regards an accounting period (“the relevant accounting period”) of a controlled foreign company,
 - (b) the chargeable profits of the controlled foreign company for the relevant accounting period would, apart from this section, include an amount of income in respect of a payment made by another company (“the payer”),
 - (c) the amount that the payer brings into account for the purposes of corporation tax in respect of the payment is reduced (in part or in full) by virtue of Part 3 of Schedule 15 to FA 2009 (tax treatment of financing costs and income), and
 - (d) a company resident in the United Kingdom (“the UK resident company”) has a relevant interest in the controlled foreign company in the relevant accounting period.
- (2) The UK resident company may make an application to the Commissioners for Her Majesty's Revenue and Customs for the chargeable profits of the controlled foreign company for the relevant accounting period (“the chargeable profits”) to be reduced by an amount (“the specified amount”) specified in the application (including to nil).
- (3) If the Commissioners grant the application—
- (a) the chargeable profits are treated as reduced by the specified amount, and
 - (b) the controlled foreign company's creditable tax (if any) for that period is treated as reduced by so much of that tax as, on a just and reasonable basis, relates to the reduction in the chargeable profits,
- for the purpose of applying section 747(3) to (5) for determining the sum (if any) chargeable on the UK resident company under section 747(4)(a) (but for no other purpose).
- (4) The Commissioners may grant the application only if they are satisfied that the specified amount does not exceed the relevant amount.
- (5) In subsection (4) “the relevant amount” means the amount (if any) by which it is just and reasonable that the chargeable profits should be treated as reduced, having regard to the effect of Parts 3 and 4 of Schedule 15 to FA 2009 on amounts brought into account for the purposes of corporation tax by the payer, or any other company.]

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

F172 S. 751AA inserted (with effect in accordance with Sch. 16 para. 25 of the amending Act) by Finance Act 2009 (c. 10), Sch. 16 para. 23

[^{F173}751AA] **Reduction in chargeable profits: failure to qualify for exemptions**

- (1) This section applies if—
 - (a) an apportionment under section 747(3) would fall to be made as regards an accounting period (“the relevant accounting period”) of a controlled foreign company,
 - (b) but for a relevant failure, section 748(1)(ba) or (bb) would have prevented such an apportionment, and
 - (c) a company resident in the United Kingdom (“the UK resident company”) has a relevant interest in the controlled foreign company in that period.
- (2) “Relevant failure” means—
 - (a) in the case of section 748(1)(ba), one or both of the following—
 - (i) a failure to satisfy the requirement of paragraph 12E of Schedule 25 (requirement as to company's UK connection) in circumstances where the requirement would be satisfied if the reference in subparagraph (3)(a) of that paragraph to 10% were a reference to 50%, and
 - (ii) a failure to satisfy the requirement of paragraph 12F of that Schedule (finance income and relevant IP income) in circumstances where the relevant IP income of the controlled foreign company for the accounting period does not exceed 5% of the company's gross income for that period, and
 - (b) in the case of section 748(1)(bb), a failure to satisfy the requirement of paragraph 12M of that Schedule (finance income).
- (3) The UK resident company may make an application to the Commissioners for Her Majesty's Revenue and Customs for the chargeable profits of the controlled foreign company for the relevant accounting period (“the chargeable profits”) to be reduced to an amount specified in the application (“the specified amount”).

The specified amount may be nil.
- (4) If the Commissioners grant the application—
 - (a) the chargeable profits are treated as reduced to the specified amount, and
 - (b) the controlled foreign company's creditable tax (if any) for that period is treated as reduced by so much of that tax as, on a just and reasonable basis, relates to the reduction in the chargeable profits,for the purpose of applying section 747(3) to (5) for determining the sum (if any) chargeable on the UK resident company under section 747(4)(a) (but for no other purpose).
- (5) The Commissioners may grant the application only if—
 - (a) they are satisfied that the specified amount is not less than the relevant amount, and

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (b) they have not previously granted an application made by the UK resident company in respect of the relevant accounting period under section 751A or 751AC.
- (6) “The relevant amount” means—
- (a) if the relevant failure is within subsection (2)(a), the sum of—
- (i) the excess finance and IP income (if any) for the relevant accounting period, and
- (ii) in a case where there is a failure specified in subsection (2)(a)(i), so much (if any) of the net chargeable profits for that period as are not excluded by subsection (8), and
- (b) if the relevant failure is within subsection (2)(b)—
- (i) the amount (if any) by which the controlled foreign company's finance income for the relevant accounting period exceeds 5% of its gross income for that period, or
- (ii) if that amount is a negligible amount, nil.
- (7) “The excess finance and IP income” for the relevant accounting period means—
- (a) the amount (if any) by which the total of the controlled foreign company's finance income and relevant IP income for that period exceeds 5% of its gross income for that period, or
- (b) if that amount is a negligible amount, nil.
- (8) Net chargeable profits are excluded by this subsection if, and to the extent that, they can reasonably be regarded—
- (a) as representing the net economic value which—
- (i) arises to the appropriate body of persons (taken as a whole), and
- (ii) is created directly by qualifying work, or
- (b) as not being wholly or partly attributable, directly or indirectly, to transactions with persons within the charge to United Kingdom tax.
- (9) In subsection (8)(a) “qualifying work” means work which—
- (a) is done in the territory in which the controlled foreign company is resident, and
- (b) is done in that territory by individuals working for the controlled foreign company there.
- (10) A transaction with a company which is within the charge to United Kingdom tax only because it carries on a trade in the United Kingdom through a permanent establishment there is within subsection (8)(b) only if the transaction is attributable to activities carried on through that establishment.
- (11) For the purposes of subsections (8) and (9)—
- (a) section 751A(5), (6) and (9) applies as it applies for the purposes of the equivalent provisions of section 751A, and
- (b) paragraph 5(2) to (5) of Schedule 25 (residence of controlled foreign company) applies as it applies in relation to Part 2 of that Schedule.
- (12) In this section—
- “finance income” has the meaning given by paragraph 12F(3) of Schedule 25 (with references to C read as references to the controlled foreign company);

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

“relevant IP income” has the meaning given by paragraph 12F(4) of that Schedule;

“net chargeable profits” means chargeable profits excluding so much of those profits as is directly attributable to the finance income or relevant IP income of the controlled foreign company;

“UK-connected gross income” has the same meaning as in paragraph 12E of Schedule 25;

“United Kingdom tax” means corporation tax or income tax;

and paragraph 12G of that Schedule (gross income) applies for the purposes of this section as it applies for the purposes of Part 2A of that Schedule (with references to C read as references to the controlled foreign company).]

Textual Amendments

F173 S. 751AB inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), Sch. 12 para. 2

[^{F174}751AC] Reduction in chargeable profits following an exempt period

- (1) This section applies if—
 - (a) an exempt period in relation to a controlled foreign company ends in accordance with paragraph 15F(2) of Schedule 25 (time exempt period ends if there is an early termination event), other than by reason of an early termination event within paragraph 15F(3)(b),
 - (b) an accounting period (“the relevant accounting period”) of the company ends after that exempt period but before the time the exempt period would have ended had paragraph 15F(2) of that Schedule not applied,
 - (c) an apportionment under section 747(3) would fall to be made as regards the relevant accounting period, and
 - (d) a company resident in the United Kingdom (“the UK resident company”) has a relevant interest in the controlled foreign company in that period.
- (2) The UK resident company may make an application to the Commissioners for Her Majesty's Revenue and Customs for the chargeable profits of the controlled foreign company for that accounting period (“the chargeable profits”) to be reduced to an amount (“the specified amount”) specified in the application (which may be nil).
- (3) If the Commissioners grant the application—
 - (a) the chargeable profits are treated as reduced to the specified amount, and
 - (b) the controlled foreign company's creditable tax (if any) for that period is treated as reduced by so much of that tax as, on a just and reasonable basis, relates to the reduction in the chargeable profits,for the purpose of applying section 747(3) to (5) for determining the sum (if any) chargeable on the UK resident company under section 747(4)(a) (but for no other purpose).
- (4) The Commissioners may grant the application only if—
 - (a) they are satisfied that the specified amount is not less than the relevant amount, and

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (b) they have not previously granted an application made by the UK resident company in respect of the relevant accounting period under section 751A or 751AB.
- (5) “The relevant amount” means the amount (if any) equal to so much of the chargeable profits as it is just and reasonable to regard as referable to—
 - (a) the relevant transaction which triggered the end of the exempt period, or
 - (b) any later relevant transaction occurring before the time the exempt period would have ended had paragraph 15F(2) of Schedule 25 not applied.
- (6) “Relevant transaction” has the meaning given by paragraph 15E of Schedule 25 (and it does not matter if the transaction occurs pursuant to an agreement entered into by the controlled foreign company before the relevant time (within the meaning of paragraph 15G of that Schedule)).]

Textual Amendments

F174 S. 751AC inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), Sch. 12 para. 7

751B [F175Sections 751A [F176to 751AC]]: supplementary

- (1) An application by a company under section 751A [F177, 751AA, 751AB or 751AC]—
 - (a) must be made in such form as the HMRC Commissioners may determine,
 - (b) must be accompanied by such documents (or copies of documents) in the company's possession or power as those Commissioners may reasonably require for the purpose of determining whether to grant the application, and
 - (c) must contain such information as those Commissioners may reasonably require for that purpose.
- (2) An application by a company under section 751A [F177, 751AA, 751AB or 751AC]—
 - [F178(a) may be made at any time before the end of the application period, and]
 - (b) may be amended or withdrawn at any time before the application is determined by those Commissioners.
- (3) If an application by a company under section 751A [F177, 751AA, 751AB or 751AC] is granted after the company has delivered its relevant company tax return, it has 30 days beginning with the day on which the application is granted in which to amend that return to give effect to section 751A [F177, 751AA, 751AB or 751AC].
- (4) The time limits otherwise applicable to an amendment of a company tax return do not prevent an amendment being made under subsection (3).
- (5) If the HMRC Commissioners refuse an application by a company under section 751A [F177, 751AA, 751AB or 751AC], the company may appeal [F179. . . against the refusal.
- (6) Notice of an appeal must be given in writing to the HMRC Commissioners within 30 days after the application is refused.
- (7) On an appeal—
 - (a) if [F180the tribunal is] satisfied that the relevant amount is a different amount from the amount specified in the application, [F180it] must direct the HMRC

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- Commissioners to grant the application as if the amount specified in it were that different amount,
- (b) if [^{F180}the tribunal is] satisfied that the relevant amount is the amount specified in the application, [^{F180}it] must direct the HMRC Commissioners to grant the application, and
 - (c) in any other case, the [^{F181}tribunal] must confirm the refusal.
- (8) For the purposes of subsection (7) “the relevant amount” [^{F182}—
- (a) in the case of an appeal in respect of the refusal of an application under section 751A,] means the amount (if any) equal to so much of the chargeable profits mentioned in subsection (4) of section 751A as can reasonably be regarded as representing the value mentioned in that subsection [^{F183}, ^{F184} . . .
 - (b) in the case of an appeal in respect of the refusal of an application under section 751AA, has the meaning given by subsection (5) of that section,]
 - [^{F185}(c) in the case of an appeal in respect of the refusal of an application under section 751AB, has the meaning given by subsection (6) of that section, and
 - (d) in the case of an appeal in respect of the refusal of an application under section 751AC, has the meaning given by subsection (5) of that section.]
- (9) Part 5 of the Management Act [^{F186}(appeals)], apart from section 50, applies in relation to an appeal under this section as it applies in relation to an appeal against an assessment to tax.
- [^{F187}(10) In this section—
- “the application period” means—
- (a) the period within which an amendment to the relevant company tax return may be made by virtue of paragraph 15(4) of Schedule 18 to the Finance Act 1998 (disregarding any extension of that period provided by subsections (3) and (4) of this section or any other enactment), or
 - (b) if the relevant company tax return is amended under paragraph 34(2) (b) or (2A) of that Schedule as a consequence of the application of this Chapter—
 - (i) the period of 30 days beginning when the amendment was notified to the company, or
 - (ii) if an appeal is brought against such an amendment, the period of 30 days beginning when that appeal is finally determined;
- “relevant company tax return”, in relation to a company, means the return for the accounting period for which—
- (a) any sum is chargeable on the company under section 747(4)(a), or
 - (b) any sum would be so chargeable but for section 751A, 751AA, 751AB or 751AC,
- in respect of the chargeable profits of the company for the accounting period mentioned in section 751A, 751AA, 751AB or 751AC.]
- (11) In this section “the HMRC Commissioners” means the Commissioners for Her Majesty's Revenue and Customs.

Textual Amendments

F175 Words in s. 751B heading substituted (with effect in accordance with Sch. 16 para. 25 of the amending Act) by Finance Act 2009 (c. 10), Sch. 16 para. 24(2)

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- F176** Words in s. 751B heading substituted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 12(6)**
- F177** Words in s. 751B(1)(2)(3)(5) substituted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 12(2)**
- F178** S. 751B(2)(a) substituted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 12(3)**
- F179** Words in s. 751B(5) omitted (1.4.2009) by virtue of The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 154(2)**
- F180** Words in s. 751B(7)(a)(b) substituted (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. 154(3)(a)**
- F181** Word in s. 751B(7)(c) substituted (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. 154(3)(b)**
- F182** Words in s. 751B(8) inserted (with effect in accordance with Sch. 16 para. 25 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 16 para. 24(4)(a)**
- F183** S. 751B(8)(b) and preceding word inserted (with effect in accordance with Sch. 16 para. 25 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 16 para. 24(4)(b)**
- F184** Word in s. 751B(8) omitted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by virtue of Finance Act 2011 (c. 11), **Sch. 12 para. 12(4)**
- F185** S. 751B(8)(c)(d) inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 12(4)**
- F186** Word in s. 751B(9) substituted (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. 154(4)**
- F187** S. 751B(10) substituted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 12(5)**

[^{F188}752 Apportionment of chargeable profits and creditable tax

- (1) This section applies in any case where an apportionment under section 747(3) falls to be made as regards an accounting period of a controlled foreign company.
- (2) Where—
 - (a) the persons who have relevant interests in the controlled foreign company at any time in the relevant accounting period have those interests by virtue only of directly or indirectly holding ordinary shares of the company,
 - (b) each of those persons satisfies the condition that he is either—
 - (i) resident in the United Kingdom throughout that accounting period, or
 - (ii) resident in the United Kingdom at no time in that accounting period, and
 - (c) no company which has an intermediate interest in the controlled foreign company at any time in the relevant accounting period has that interest otherwise than by virtue of directly or indirectly holding ordinary shares of the controlled foreign company,
 subsection (3) below shall apply.
- (3) Where this subsection applies, the apportionment of the controlled foreign company's chargeable profits and creditable tax (if any) for the relevant accounting period shall be made among the persons who have relevant interests in the company at any time in that period in direct proportion to the percentage of the issued ordinary shares of the controlled foreign company which, in accordance with section 752B, each of those relevant interests represents.

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (4) Where subsection (3) above does not apply, the apportionment of the controlled foreign company's chargeable profits and creditable tax (if any) for the relevant accounting period shall be made on a just and reasonable basis among the persons who have relevant interests in the company at any time in that period.]

Textual Amendments

F188 Ss. 752-752C substituted for s. 752 (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 7; S.I. 1998/3173, art. 2

[^{F189}752A] Relevant interests.

- (1) This section has effect for the purpose of determining for the purposes of this Chapter who has a relevant interest in a controlled foreign company at any time; and references in this Chapter to relevant interests shall be construed accordingly.
- (2) A UK resident company which has a direct or indirect interest in a controlled foreign company has a relevant interest in the company by virtue of that interest unless subsection (3) below otherwise provides.
- (3) A UK resident company which has an indirect interest in a controlled foreign company does not have a relevant interest in the company by virtue of that interest if it has the interest by virtue of having a direct or indirect interest in another UK resident company.
- (4) A related person who has a direct or indirect interest in a controlled foreign company has a relevant interest in the company by virtue of that interest unless subsection (5) or (6) below otherwise provides.
- (5) A related person who has an indirect interest in a controlled foreign company does not have a relevant interest in the company by virtue of that interest if he has the interest by virtue of having a direct or indirect interest in—
- a UK resident company; or
 - another related person.
- (6) A related person who has a direct or indirect interest in a controlled foreign company does not have a relevant interest in the company by virtue of that interest to the extent that a UK resident company—
- has the whole or any part of the same interest indirectly, by virtue of having a direct or indirect interest in the related person, and
 - by virtue of that indirect interest in the controlled foreign company, has a relevant interest in the company by virtue of subsection (2) above.
- (7) A person who—
- has a direct interest in a controlled foreign company, but
 - does not by virtue of subsections (2) to (6) above have a relevant interest in the company by virtue of that interest,
- has a relevant interest in the company by virtue of that interest unless subsection (8) below otherwise provides.
- (8) A person does not by virtue of subsection (7) above have a relevant interest in a controlled foreign company by virtue of having a direct interest in the company to the extent that another person—

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (a) has the whole or any part of the same interest indirectly, and
 - (b) by virtue of that indirect interest, has a relevant interest in the company by virtue of subsections (2) to (6) above.
- (9) No person has a relevant interest in a controlled foreign company otherwise than as provided by subsections (2) to (8) above.
- (10) In this section—
- “related person” means a person who—
 - (a) is not a UK resident company, but
 - (b) is connected or associated with a UK resident company which has by virtue of subsection (2) above a relevant interest in the controlled foreign company in question;
 - “UK resident company” means a company resident in the United Kingdom.]

Textual Amendments

F189 Ss. 752-752C substituted for s. 752 (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 7; S.I. 1998/3173, art. 2

[^{F189}752B] Section 752(3): the percentage of shares which a relevant interest represents.

- (1) For the purposes of section 752(3) above, where a person has a relevant interest in a controlled foreign company by virtue of indirectly holding issued ordinary shares of the company, the percentage of the issued ordinary shares of the company which the relevant interest represents is equal to—

$$P \times S$$

where—

P is the product of the appropriate fractions of that person and each of the share-linked companies through which he indirectly holds the shares in question, other than the lowest share-linked company; and

S is the percentage of issued ordinary shares of the controlled foreign company which is held directly by the lowest share-linked company.

- (2) In subsection (1) above and this subsection—
- “the appropriate fraction”, in the case of a person who directly holds ordinary shares of a share-linked company, means that fraction of the issued ordinary shares of that company which his holding represents;
 - “the lowest share-linked company”, in relation to a person who indirectly holds ordinary shares of a controlled foreign company, means the share-linked company which directly holds the shares in question;
 - “share-linked company” means a company which is share-linked to the controlled foreign company in question.
- (3) Where a person has different indirect holdings of shares of the controlled foreign company (as in a case where different shares are held through different companies which are share-linked to the controlled foreign company)—

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (a) subsection (1) above shall apply separately in relation to the different holdings with any necessary modifications; and
 - (b) for the purposes of section 752(3) above the percentage of the issued ordinary shares of the company which the relevant interest represents is the aggregate of the percentages resulting from those separate applications.
- (4) Where, for the purposes of subsection (3) of section 752, the percentage of the issued ordinary shares of the controlled foreign company which a person directly or indirectly holds varies during the relevant accounting period, he shall be treated for the purposes of that subsection as holding throughout that period that percentage of the issued ordinary shares of the company which is equal to the sum of the relevant percentages for each holding period in the relevant accounting period.
- (5) For the purposes of subsection (4) above—
- “holding period”, in the case of any person, means a part of the relevant accounting period during which the percentage of the issued ordinary shares of the controlled foreign company which the person holds (whether directly or indirectly) remains the same;
 - “the relevant percentage”, in the case of a holding period, means the percentage equal to—

$$\frac{P \times H}{A}$$

where—

P is the percentage of the issued ordinary shares of the controlled foreign company which the person in question directly or indirectly holds in the holding period, as calculated in accordance with subsections (1) to (3) above so far as applicable;

H is the number of days in the holding period; and

A is the number of days in the relevant accounting period.]

Textual Amendments

F189 Ss. 752-752C substituted for s. 752 (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 7; S.I. 1998/3173, art. 2

[^{F189}752] Interpretation of apportionment provisions.

- (1) In this section “the relevant provisions” means sections 752 to 752B and this section.
- (2) For the purposes of the relevant provisions—
 - (a) a person has a direct interest in a company if (and only if) he has an interest in the company otherwise than by virtue of having an interest in another company;
 - (b) a person has an indirect interest in a company if (and only if) he has an interest in the company by virtue of having an interest in another company;
 - (c) a person indirectly holds shares of a controlled foreign company if (and only if) he directly holds ordinary shares of a company which is share-linked to the controlled foreign company.

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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) For the purposes of the relevant provisions, a company is “share-linked” to a controlled foreign company if it has an interest in the controlled foreign company only by virtue of directly holding ordinary shares—
- (a) of the controlled foreign company, or
 - (b) of the controlled foreign company or of one or more companies which are share-linked to the controlled foreign company by virtue of paragraph (a) above, or
 - (c) of the controlled foreign company or of one or more companies which are share-linked to the controlled foreign company by virtue of paragraph (a) or (b) above,
- and so on.
- (4) For the purposes of the relevant provisions, a company (“company A”) has an intermediate interest in a controlled foreign company if (and only if)—
- (a) it has a direct or indirect interest in the controlled foreign company; and
 - (b) one or more other persons have relevant interests in the controlled foreign company by virtue of having a direct or indirect interest in company A.
- (5) Any interest or shares held by a nominee or bare trustee shall be treated for the purposes of the relevant provisions as held by the person or persons for whom the nominee or bare trustee holds the interest or shares.
- (6) Where—
- (a) an interest in a controlled foreign company is held in a fiduciary or representative capacity, and
 - (b) subsection (5) above does not apply, but
 - (c) there are one or more identifiable beneficiaries,
- the interest shall be treated for the purposes of the relevant provisions as held by that beneficiary or, as the case may be, as apportioned on a just and reasonable basis among those beneficiaries.
- (7) In the relevant provisions—
- “bare trustee” means a person acting as trustee—
- (a) for a person absolutely entitled as against the trustee; or
 - (b) for any person who would be so entitled but for being a minor or otherwise under a disability; or
 - (c) for two or more persons who are or would, but for all or any of them being a minor or otherwise under a disability, be jointly so entitled;
- “ordinary shares”, in the case of any company, means shares of a single class, however described, which is the only class of shares issued by the company;
- “the relevant accounting period” means the accounting period mentioned in section 752(1);
- “share” includes a reference to a fraction of a share.]

Textual Amendments

F189 Ss. 752-752C substituted for s. 752 (with effect in accordance with [Sch. 17 para. 37](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 17 para. 7](#); [S.I. 1998/3173](#), [art. 2](#)

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

753 Notices and appeals.

F190

Textual Amendments

F190 S. 753 repealed (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 8, Sch. 27 Pt. 3(27), Note; S.I. 1998/3173, art. 2

754 Assessment, recovery and postponement of tax.

^{M5}(1) Subject to the following provisions of this section, the provisions of section 747(4) (a) relating to [^{F191}the charging] of a sum as if it were an amount of corporation tax shall be taken as applying, subject to the provisions of the Taxes Acts, and to any necessary modifications, all enactments applying generally to corporation tax, including [^{F192}those relating to company tax returns,] those relating to the assessing, collecting and receiving of corporation tax, those conferring or regulating a right of appeal and those concerning administration, penalties, interest on unpaid tax and priority of tax in cases of insolvency under the law of any part of the United Kingdom.

[^{F193}(1A) Accordingly (but without prejudice to subsection (1) above) the Management Act shall have effect as if—

- (a) any reference to corporation tax included a reference to a sum chargeable under section 747(4)(a) as if it were an amount of corporation tax; and
- (b) any reference to profits of a company included a reference to an amount of chargeable profits of a controlled foreign company which falls to be apportioned to a company under section 747(3).]

[^{F194}(2) For the purposes of the Taxes Acts, any sum chargeable on a company under section 747(4)(a) is chargeable for the accounting period of the company in which ends that one of the controlled foreign company's accounting periods the chargeable profits of which give rise to that sum.]

[^{F195}(2A) Where—

- (a) an apportionment under section 747(3) falls to be made as regards an accounting period of a controlled foreign company, and
- (b) the apportionment falls to be made in accordance with section 752(4) on a just and reasonable basis, and
- (c) a company tax return is made or amended using for the apportionment a particular basis adopted by the company making the return,

the Board may determine that another basis is to be used for the apportionment.

(2B) ^{F196}

(2C) ^{F196}

(2D) Once the Board have determined under subsection (2A) above the basis to be used for the apportionment, matters shall proceed as if that were the only basis allowed by the Tax Acts.

(2E) A determination under subsection (2A) above may be questioned on an appeal against an amendment, made under paragraph 30 or [^{F197}34] of Schedule 18 to the Finance

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Act 1998, of the company's company tax return, but only on the ground that the basis of apportionment determined by the Board is not just and reasonable.]

- [^{F198}(3) [^{F199}Subsection (3B) shall apply where] any appeal—
- (a) under paragraph 34(3) of Schedule 18 to the Finance Act 1998 against an amendment of a company tax return, or
 - (b) under paragraph 48 of that Schedule against a discovery assessment or discovery determination under paragraph 41 of that Schedule (including an assessment by virtue of paragraph 52 of that Schedule),
- involves any question concerning the application of this Chapter in relation to any particular person, [^{F200}and the question is one whose resolution is likely to affect the liability of more than one person under this Chapter in respect of the controlled foreign company concerned].
- (3A) ^{F201}
- (3B) Where this subsection applies—
- (a) each of the persons whose liability under this Chapter in respect of the controlled foreign company concerned is likely to be affected by the resolution of the question shall be entitled [^{F202}to be a party to any proceedings];
 - (b) the [^{F203}tribunal] shall determine that question separately from any other questions in those proceedings; and
 - (c) [^{F204}the tribunal's] determination on that question shall have effect as if made in an appeal to which each of those persons was a party.]
- (4) ^{F205}
- (5) Schedule 26 shall have effect with respect to the reliefs which may be claimed by a company resident in the United Kingdom which has a liability for tax in respect of an amount of chargeable profits; and no reliefs other than those provided for by that Schedule shall be allowed against any such liability.
- (6) In any case where—
- (a) the whole or any part of the tax [^{F206}chargeable] on a company (“the [^{F206}chargeable] company”) by virtue of section [^{F207}747(4)(a)] is not paid before the date on which it is due and payable in accordance with this Act or, as the case may be, the Management Act; and
 - (b) the Board serve a notice of liability to tax under this subsection on another company (“the responsible company”) which is resident in the United Kingdom and holds or has held (whether directly or indirectly) [^{F208}the whole or any part of] the same interest in the controlled foreign company as is or was held by the [^{F206}chargeable] company,
- [^{F209}the whole or, as the case may be, the corresponding part of] the tax [^{F206}chargeable] on the [^{F206}chargeable] company or, as the case may be, so much of it as remains unpaid shall be payable by the responsible company upon service of the notice.
- (7) Where a notice of liability is served under subsection (6) above—
- (a) [^{F210}the whole, or (as the case may be) the corresponding part, of] any interest due on the tax [^{F211}chargeable] on the [^{F211}chargeable] company and not paid; and
 - (b) any interest accruing due on that tax after the date of service,
- shall be payable by the responsible company [^{F212}(so far as referable to tax payable by the responsible company by virtue of the notice)].

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (8) In any case where—
- (a) a notice of liability is served on the responsible company under subsection (6) above, and
 - (b) the relevant tax and any interest payable by the responsible company under subsection (7) above is not paid by that company before the expiry of the period of three months beginning on the date of service of the notice,
- that tax and interest may, without prejudice to the right of recovery from the responsible company, be recovered from the [^{F213}chargeable] company.
- (9) In this section “the Taxes Acts” has the same meaning as in the Management Act.

Textual Amendments

- F191** Words in s. 754(1) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(2)(a)**; S.I. 1998/3173, **art. 2**
- F192** Words in s. 754(1) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(2)(b)**; S.I. 1998/3173, **art. 2**
- F193** S. 754(1A) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(3)**; S.I. 1998/3173, **art. 2**
- F194** S. 754(2) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(4)**; S.I. 1998/3173, **art. 2**
- F195** S. 754(2A)-(2E) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(5)**; S.I. 1998/3173, **art. 2**
- F196** S. 754(2B)(2C) omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 1, Sch. para. 21
- F197** Word in s. 754(2E) substituted (1.4.2010) by Finance Act 2008 (c. 9), **s. 119(12)(b)**; S.I. 2009/405, **art. 2**
- F198** S. 754(3)-(3B) substituted for s. 754(3) (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(6)**; S.I. 1998/3173, **art. 2**
- F199** Words in s. 754(3) substituted (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. 155(2)(a)**
- F200** Words in s. 754(3) substituted (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. 155(2)(b)**
- F201** S. 754(3A) omitted (1.4.2009) by virtue of The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 155(3)**
- F202** Words in s. 754(3B)(a) substituted (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. 155(4)(a)**
- F203** Word in s. 754(3B)(b) substituted (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. 155(4)(b)**
- F204** Words in s. 754(3B)(c) substituted (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. 155(4)(c)**
- F205** S. 754(4) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 9(7), **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**
- F206** Words in s. 754(6) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(8)(a)**; S.I. 1998/3173, **art. 2**
- F207** Words in s. 754(6)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(8)(b)**; S.I. 1998/3173, **art. 2**
- F208** Words in s. 754(6)(b) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(8)(c)**; S.I. 1998/3173, **art. 2**
- F209** Words in s. 754(6) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(8)(d)**; S.I. 1998/3173, **art. 2**

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- F210** Words in s. 754(7)(a) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(9)(a)**; S.I. 1998/3173, **art. 2**
- F211** Words in s. 754(7)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(9)(b)**; S.I. 1998/3173, **art. 2**
- F212** Words in s. 754(7)(b) added (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(9)(c)**; S.I. 1998/3173, **art. 2**
- F213** Word in s. 754(8) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 9(10)**; S.I. 1998/3173, **art. 2**

Modifications etc. (not altering text)

- C10** See 1970(M) s.55(1)(g) and (6A).

Marginal Citations

- M5** Source—1984 s.89(1)-(4), (7)-(11)

[^{F214}754A Returns where it is not established whether acceptable distribution policy applies.

^{F215}

Textual Amendments

- F214** S. 754A inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 10**; S.I. 1998/3173, **art. 2**
- F215** S. 754A omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 2(2)** (with Sch. 16 paras. 7, 8)

[^{F216}754B Determinations requiring the sanction of the Board.

- (1) This section has effect where a determination requiring the Board's sanction is made for any of the following purposes, that is to say—
 - (a) the giving of a closure notice; or
 - (b) the making of a discovery assessment.
- (2) If the closure notice or, as the case may be, notice of the discovery assessment is given to any person without—
 - (a) the determination, so far as it is taken into account in the closure notice or the discovery assessment, having been approved by the Board, or
 - (b) notification of the Board's approval having been served on that person at or before the time of the giving of the notice,

the closure notice or, as the case may be, the discovery assessment shall be deemed to have been given or made (and in the case of an assessment notified) in the terms (if any) in which it would have been given or made had that determination not been taken into account.
- (3) A notification under subsection (2)(b) above—
 - (a) must be in writing;
 - (b) must state that the Board have given their approval on the basis that—
 - (i) an amount of chargeable profits, and
 - (ii) an amount of creditable tax (which may be nil),

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- for the accounting period of the controlled foreign company in question fall to be apportioned under section 747(3) to the person in question;
- (c) must state the amounts mentioned in sub-paragraphs (i) and (ii) of paragraph (b) above; and
 - (d) subject to paragraphs (a) to (c) above, may be in such form as the Board may determine.
- (4) For the purposes of this section, the Board’s approval of a determination requiring their sanction—
- (a) must be given specifically in relation to the case in question and must apply to the amount determined; but
 - (b) subject to that, may be given by the Board (either before or after the making of the determination) in any such form or manner as they may determine.
- (5) In this section references to a determination requiring the Board’s sanction are references (subject to subsection (6) below) to any determination of the amount of chargeable profits or creditable tax for an accounting period of a controlled foreign company which falls to be apportioned to a particular person under section 747(3).
- (6) For the purposes of this section, a determination shall be taken, in relation to a closure notice or a discovery assessment, not to be a determination requiring the Board’s sanction if—
- (a) an agreement about the relevant amounts has been made between an officer of the Board and the person in whose case it is made;
 - (b) that agreement is in force at the time of the giving of the closure notice or, as the case may be, notice of the assessment; and
 - (c) the matters to which the agreement relates include the amount determined.
- (7) In paragraph (a) of subsection (6) above, “the relevant amounts” means—
- (a) the amount of chargeable profits, and
 - (b) the amount of creditable tax (which may be nil),
- for the accounting period of the controlled foreign company in question which fall to be apportioned under section 747(3) to the person mentioned in that paragraph.
- (8) For the purposes of subsection (6) above an agreement made between an officer of the Board and any person (“the taxpayer”) in relation to any matter shall be taken to be in force at any time if, and only if—
- (a) the agreement is one which has been made or confirmed in writing;
 - (b) that time is after the end of the period of thirty days beginning—
 - (i) in the case of an agreement made in writing, with the day of the making of the agreement, and
 - (ii) in any other case, with the day of the agreement’s confirmation in writing; and
 - (c) the taxpayer has not, before the end of that period of thirty days, served a notice on an officer of the Board stating that he is repudiating or resiling from the agreement.
- (9) The references in subsection (8) above to the confirmation in writing of an agreement are references to the service on the taxpayer by an officer of the Board of a notice—
- (a) stating that the agreement has been made; and
 - (b) setting out the terms of the agreement.

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

(10) The matters that may be questioned on so much of any appeal by virtue of any provision of the Management Act or Schedule 18 to the Finance Act 1998 (company tax returns, assessments and related matters) as relates to a determination the making of which has been approved by the Board for the purposes of this section shall not include the Board's approval, except to the extent that the grounds for questioning the approval are the same as the grounds for questioning the determination itself.

(11) In this section—

“closure notice” means a notice under paragraph 32 of Schedule 18 to the Finance Act 1998 (completion of enquiry and statement of conclusions);

“discovery assessment” means a discovery assessment or discovery determination under paragraph 41 of that Schedule (including an assessment by virtue of paragraph 52 of that Schedule).]

Textual Amendments

F216 S. 754B inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 11; S.I. 1998/3173, art. 2

755 Information relating to controlled foreign companies

F217

Textual Amendments

F217 S. 755 repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 12, Sch. 27 Pt. 3(27), Note; S.I. 1998/3173, art. 2

[^{F218}755A] Treatment of chargeable profits and creditable tax apportioned to company carrying on life assurance business.

(1) This section applies in any case where—

- (a) an amount (“the apportioned profit”) of a controlled foreign company’s chargeable profits for an accounting period falls to be apportioned under section 747(3) to a company resident in the United Kingdom (“the UK company”);
- (b) the UK company carries on life assurance business in that one of its accounting periods (“the relevant accounting period”) in which ends the accounting period of the controlled foreign company; and
- (c) the property or rights which represent the UK company’s relevant interest in the controlled foreign company constitute to any extent assets of the UK company’s [^{F219}long-term insurance fund].

(2) Subsections (3) and (4) below apply if, in the case of the relevant accounting period, the UK company is [^{F220}charged to tax under the I minus E basis in respect of] life assurance business.

(3) Where this subsection applies, the “appropriate rate” for the purposes of section 747(4) (a) and paragraph 1 of Schedule 26 in relation to the policy holders’ part of any BLAGAB apportioned profit shall be—

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (a) if a single rate of tax under section [F22188(1)] of the M⁶Finance Act 1989 (lower corporation tax rate on certain insurance company profits) is applicable in relation to the relevant accounting period, that rate; or
 - (b) if more than one such rate of tax is applicable in relation to the relevant accounting period, the average of those rates over the whole of that period.
- (4) Where this subsection applies, the “appropriate rate” for the purposes of section 747(4) (a) and paragraph 1 of Schedule 26 shall be nil in relation to so much of the apportioned profit as is referable to [F222gross roll-up business carried on by the UK company.]
- [In any case where—
- ^{F223}(4A) (a) paragraph 4 of Schedule 26 to this Act applies to a dividend received by the UK company, and
- (b) but for this subsection, [F224subsection (5) of section 97 of TIOPA 2010] would apply to that dividend,
- the amount of credit for foreign tax in respect of that dividend shall be treated, for the purposes of that section, as wholly attributable to basic life assurance and general annuity business.]
- (5) If, in the case of the relevant accounting period, the UK company is charged to tax under [F225section 35 of CTA 2009 (charge on trade profits)] in respect of its profits from life assurance business, the “appropriate rate” for the purposes of—
- (a) section 747(4)(a), and
 - (b) paragraph 1 of Schedule 26,
- shall be nil in relation to so much of the apportioned profit as is referable to the UK company’s relevant interest so far as represented by assets of its [F219long-term insurance fund].
- (6) If, in the case of the relevant accounting period,—
- (a) the UK company is [F220charged to tax under the I minus E basis in respect of] life assurance business,
 - (b) any creditable tax of the controlled foreign company falls to be apportioned to the UK company, and
 - (c) the apportioned profit is to any extent referable to [F226gross roll-up business],
- so much of the creditable tax so apportioned as is attributable to the apportioned profit so far as so referable shall be left out of account for the purposes of this Chapter, other than section 747(3) and this section, and shall be treated as extinguished.
- (7) If, in the case of the relevant accounting period,—
- (a) the UK company is charged to tax under [F227section 35 of CTA 2009] in respect of its profits from life assurance business, and
 - (b) any creditable tax of the controlled foreign company falls to be apportioned to the UK company,
- so much of the creditable tax so apportioned as is attributable to so much of the apportioned profit as is referable to the UK company’s relevant interest so far as represented by assets of the UK company’s [F219long-term insurance fund] shall be left out of account for the purposes of this Chapter, other than section 747(3) and this section, and shall be treated as extinguished.
- (8) Any set off under paragraph 1 ^{F228} . . . of Schedule 26 against the UK company’s liability to tax under section 747(4)(a) in respect of the apportioned profit shall be made against

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

only so much of that liability as is attributable to the eligible part of the apportioned profit.

- (9) ^{F229}
- (10) For the purposes of this section, the “eligible part” of the apportioned profit is any BLAGAB apportioned profit, other than the policy holders’ part.
- ^{F230}(11) For the purposes of this section the policy holders' part of any BLAGAB apportioned profit is—
- (a) where subsection (11A) below applies, the whole of that profit, and
 - (b) in any other case, the relevant fraction (within the meaning of subsection (11B) below) of that profit.
- (11A) This subsection applies if—
- (a) the UK company’s life assurance business is mutual business,
 - (b) the policy holders' share of the UK company’s relevant profits for the relevant accounting period is equal to all those profits, or
 - (c) the policy holders' share of the UK company’s relevant profits for the relevant accounting period is more than its BLAGAB profits for that period.
- (11B) The relevant fraction for the purposes of subsection (11)(b) above is the fraction arrived at by dividing—
- (a) the policy holders' share of the UK company’s relevant profits for the relevant accounting period, by
 - (b) the UK company’s BLAGAB profits for that period.
- ^{F231}(11BA) But where the BLAGAB profits for the relevant accounting period are nil, the relevant fraction—
- (a) if there are [^{F232}section 35 profits] of the accounting period in respect of its life assurance business, is nil, and
 - (b) otherwise, is such fraction as is just and reasonable;
- and for this purpose there are [^{F232}section 35 profits] if there are profits computed in accordance with the [^{F233}life assurance trade profits provisions] after making adjustments in respect of losses in accordance with section 85A(4) of the Finance Act 1989.]
- (11C) In subsections (11A) and (11B) above—
- (a) references to the policy holders' share of the UK company’s share of the relevant profits are to be construed in accordance with sections 88(3) and 89 of the Finance Act 1989, ^{F234} . . .
 - (b) ^{F234}
- (12) In this section—
- “BLAGAB apportioned profit” means so much of the apportioned profit as is referable to basic life assurance and general annuity business carried on by the UK company;
- ^{F235}
- (13) For the purposes of this section, the part of the apportioned profit which is referable to—
- ^{F236}(a) basic life assurance and general annuity business, or
 - (ba) gross roll-up business,]

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

carried on by the UK company is the part which would have been so referable under section 432A had the apportioned profit been a dividend paid to the UK company at the end of the accounting period mentioned in subsection (1)(a) above in respect of the property or rights which represent the UK company's relevant interest in the controlled foreign company.

- (14) For the purposes of this section, any attribution of creditable tax to a particular part of the apportioned profit shall be made in the proportion which that part of the apportioned profit bears to the whole of the apportioned profit.]

Textual Amendments

- F218** S. 755A inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 13**; S.I. 1998/3173, **art. 2**
- F219** Words in s. 755A(1)(c)(5)(7)(12) substituted (1.12.2001 with effect 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. 52(1)(j)**
- F220** Words in s. 755A(2)(6)(a) substituted (with effect in accordance with s. 39(2) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 8 para. 10** (with Sch. 8 Pt. 2)
- F221** Words in s. 755A(3) substituted (with effect in accordance with Sch. 33 para. 13(11) of the amending Act) by Finance Act 2003 (c. 14), **Sch. 33 para. 13(8)**
- F222** Words in s. 755A(4) substituted (with effect in accordance with s. 38(2) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 7 para. 47(2)** (with Sch. 7 Pt. 2)
- F223** S. 755A(4A) inserted (31.12.2006 with effect in accordance with art. 1(2) of the amending S.I.) by The Insurance Companies (Corporation Tax Acts) (Miscellaneous Amendments) Order 2006 (S.I. 2006/3270), **arts. 1(1), 8(a)**
- F224** Words in s. 755A(4A)(b) substituted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), **Sch. 8 para. 12** (with Sch. 9)
- F225** Words in s. 755A(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. 219(2)** (with Sch. 2 Pts. 1, 2)
- F226** Words in s. 755A(6)(c) substituted (with effect in accordance with s. 38(2) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 7 para. 47(3)** (with Sch. 7 Pt. 2)
- F227** Words in s. 755A(7)(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. 219(3)** (with Sch. 2 Pts. 1, 2)
- F228** Words in s. 755A(8) omitted (31.12.2006 with effect in accordance with art. 1(2) of the repealing S.I.) by virtue of The Insurance Companies (Corporation Tax Acts) (Miscellaneous Amendments) Order 2006 (S.I. 2006/3270), **arts. 1(1), 8(b)**
- F229** S. 755A(9) omitted (31.12.2006 with effect in accordance with art. 1(2) of the repealing S.I.) by virtue of The Insurance Companies (Corporation Tax Acts) (Miscellaneous Amendments) Order 2006 (S.I. 2006/3270), **arts. 1(1), 8(c)**
- F230** S. 755A(11)-(11C) substituted for s. 755A(11) (with effect in accordance with Sch. 33 para. 13(11) of the amending Act) by Finance Act 2003 (c. 14), **Sch. 33 para. 13(9)**
- F231** S. 755A(11BA) inserted (with effect in accordance with Sch. 17 para. 15 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 17 para. 14**
- F232** Words in s. 755A(11BA) 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. 219(4)(a)** (with Sch. 2 Pts. 1, 2)
- F233** Words in s. 755A(11BA) 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. 219(4)(b)** (with Sch. 2 Pts. 1, 2)
- F234** S. 755A(11C)(b) and preceding word omitted (with effect in accordance with Sch. 17 para. 18(6) of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 17 para. 18(2)**

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

F235 S. 755A(12): definition of "long-term insurance fund" repealed (with effect in accordance with Sch. 10 para. 17(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 10 para. 14(2)(d), **Sch. 27 Pt. 2(10)**, Note

F236 S. 755A(13)(a)(ba) substituted for s. 755A(13)(a)-(d) (with effect in accordance with s. 38(2) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 7 para. 47(4)** (with Sch. 7 Pt. 2)

Modifications etc. (not altering text)

C11 S. 755A modified (6.4.1999) by The Individual Savings Account (Insurance Companies) Regulations 1998 (S.I. 1998/1871), **regs. 1, 5, 18**

C12 S. 755A modified by the Friendly Societies (Modification of the Corporation Tax Acts) Regulations 1997 (S.I. 1997/473), **reg. 30B** (as inserted (13.10.1999) by The Friendly Societies (Modification of the Corporation Tax Acts) (Amendment) Regulations 1999 (S.I. 1999/2636), **regs. 1, 4**; and as that reg. 30B is amended by S.I. 2004/822, **regs. 1, 24**)

C13 S. 755A modified (6.4.2005) by The Child Trust Funds (Insurance Companies) Regulations 2004 (S.I. 2004/2680), **regs. 1, 4, 16**; S.I. 2004/3369, **art. 2(1)**

C14 S. 755A modified (12.8.2005 with effect in accordance with reg. 1(2) of the modifying S.I.) by The Friendly Societies (Modification of the Corporation Tax Acts) Regulations 2005 (S.I. 2005/2014), **regs. 1(1), 22** (as amended by S.I. 2007/2134, **regs. 1(1)(2), 21**)

Marginal Citations

M6 1989 c. 26.

[^{F237}755BA] amendment of return where general insurance business of foreign company accounted for on non-annual basis.

(1) This section applies where—

- (a) a controlled foreign company carries on general insurance business in an accounting period;
- (b) an amount of the company's chargeable profits, and an amount of its creditable tax (if any), for that accounting period falls to be apportioned under section 747(3) to a company resident in the United Kingdom ("the UK company");
- (c) the UK company delivers a company tax return for that one of its accounting periods in which the controlled foreign company's accounting period ends; and
- (d) in making or amending the return, the UK company has regard to accounts of the controlled foreign company drawn up using a method falling within subsection (2) below.

(2) The methods which fall within this subsection are—

- (a) the method described in [^{F238}paragraph 58 in Section E of Part 2 of Schedule 3 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008] (which provides for a technical provision to be made in the accounts which is later replaced by a provision for estimated claims outstanding); and
- (b) any method which would have fallen within paragraph (a) above, had final replacement of the technical provision, as described in sub-paragraph (4) of paragraph [^{F239}58] of that Schedule, taken place, and been required to take place, no later than the end of the year referred to in that sub-paragraph as the third year following the underwriting year.

(3) Where this section applies—

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (a) the UK company may make any amendments of its company tax return arising from the replacement of the technical provision in the controlled foreign company's accounts at any time within twelve months from the date on which the provision was replaced; and
 - (b) notice of intention to enquire into the return under paragraph 24 of Schedule 18 to the Finance Act 1998 may be given at any time up to two years from that date (or at any later time in accordance with the general rule in sub-paragraph (3) of that paragraph).
- (4) If, in a case where this section applies, the accounts of the controlled foreign company are drawn up using a method falling within paragraph (b) of subsection (2) above—
- (a) the controlled foreign company, and
 - (b) any person with an interest in the controlled foreign company,
- shall be treated for the purposes of this section as if final replacement of the technical provision, as described in sub-paragraph (4) of paragraph [F240]58 of Schedule 3 to those Regulations], had taken place at, and been required to take place no later than, the end of the year referred to in that sub-paragraph as the third year following the underwriting year.
- (5) Regulations under section 755C may make provision with respect to the determination of the amount of the provision by which the technical provision is to be treated as replaced in cases falling within subsection (4) above.
- [F241] (6) In this section “general insurance business” means business which consists of the effecting or carrying out of contracts which fall within Part I of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.]

Textual Amendments

- F237** S. 755B inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 14; S.I. 1998/3173, art. 2
- F238** Words in s. 755B(2)(a) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2009 (S.I. 2009/1890), arts. 1(1), 5(2)(a)
- F239** Word in s. 755B(2)(b) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2009 (S.I. 2009/1890), arts. 1(1), 5(3)
- F240** Words in s. 755B(4) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2009 (S.I. 2009/1890), arts. 1(1), 5(4)
- F241** S. 755B(6) substituted (1.12.2001 with effect 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. 44

[F242] 755CA Application of Chapter where general insurance business of foreign company accounted for on non-annual basis.

- (1) The Treasury may by regulations provide for the provisions of this Chapter to have effect with prescribed modifications in any case where a non-resident company—
 - (a) carries on general insurance business; and
 - (b) draws up accounts relating to that business using a method falling within subsection (2) of section 755B.
- (2) Regulations under subsection (1) above may—
 - (a) make different provision for different cases;

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (b) make provision having effect in relation to accounting periods of non-resident companies ending not more than one year before the date on which the regulations are made; and
 - (c) contain such supplementary, incidental, consequential and transitional provision as the Treasury may think fit.
- (3) In this section—
- “general insurance business” has the same meaning as in section 755B;
 - “non-resident company” means a company resident outside the United Kingdom;
 - “prescribed” means prescribed in regulations under this section.]

Textual Amendments

F242 S. 755C inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 15; S.I. 1998/3173, art. 2

[^{F243}755D“Control” and the two “40 per cent” tests.

- (1) For the purposes of this Chapter “control”, in relation to a company, 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 the company or any other company, or
 - (b) by virtue of any powers conferred by the articles of association or other document regulating the company or any other company,
- that the affairs of the company are conducted in accordance with his wishes.

[For the purposes of this Chapter a person also controls a company if the person ^{F244}(1A) possesses, or is entitled to acquire, such rights as would—

- (a) if the whole of the income of the company were distributed, entitle the person to receive the greater part of the amount so distributed,
 - (b) if the whole of the company's share capital were disposed of, entitle the person to receive the greater part of the proceeds of the disposal, or
 - (c) in the event of the winding-up of the company or in any other circumstances, entitle the person to receive the greater part of the assets of the company which would then be available for distribution.]
- (2) Where two or more persons, taken together, have the power mentioned in subsection (1) above [^{F245}or satisfy subsection (1A) above], they shall be taken for the purposes of this Chapter to control the company.
- (3) The 40 per cent test in this subsection is satisfied in the case of one of two persons who, taken together, control a company if that one of them has interests, rights and powers representing at least 40 per cent of the holdings, rights and powers in respect of which the pair of them fall to be taken as controlling the company.
- (4) The 40 per cent test in this subsection is satisfied in the case of one of two persons who, taken together, control a company if that one of them has interests, rights and powers representing—
- (a) at least 40 per cent, but
 - (b) not more than 55 per cent,

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

of the holdings, rights and powers in respect of which the pair of them fall to be taken as controlling the company.

- (5) For the purposes of this Chapter any question—
- (a) whether a company is controlled by a person, or by two or more persons taken together, or
 - (b) whether, in the case of any company, the applicable 40 per cent test is satisfied in the case of each of two persons who, taken together, control the company, shall be determined after attributing to each of the persons all the rights and powers mentioned in subsection (6) below that are not already attributed to that person for the purposes of subsections (1) to (4) above.
- (6) The rights and powers referred to in subsection (5) above are—
- (a) rights and powers which the person is entitled to acquire at a future date or which he will, at a future date, become entitled to acquire;
 - (b) rights and powers of other persons, to the extent that they are rights or powers falling within subsection (7) below;
 - (c) if the person is resident in the United Kingdom, rights and powers of any person who is resident in the United Kingdom and connected with the person; and
 - (d) if the person is resident in the United Kingdom, rights and powers which for the purposes of subsection (5) above would be attributed to a person who is resident in the United Kingdom and connected with the person (a “UK connected person”) if the UK connected person were himself the person.
- (7) Rights and powers fall within this subsection to the extent that they—
- (a) are required, or may be required, to be exercised in any one or more of the following ways, that is to say—
 - (i) on behalf of the person;
 - (ii) under the direction of the person; or
 - (iii) for the benefit of the person; and
 - (b) are not confined, in a case where a loan has been made by one person to another, to rights and powers conferred in relation to property of the borrower by the terms of any security relating to the loan.
- (8) In subsections (6)(b) to (d) and (7) above, the references to a person’s rights and powers include references to any rights or powers which he either—
- (a) is entitled to acquire at a future date, or
 - (b) will, at a future date, become entitled to acquire.
- (9) In paragraph (d) of subsection (6) above, the reference to rights and powers which would be attributed to a UK connected person if he were the person includes a reference to rights and powers which, by applying that paragraph wherever one person resident in the United Kingdom is connected with another person, would be so attributed to him through a number of persons each of whom is resident in the United Kingdom and connected with at least one of the others.
- (10) In determining for the purposes of this section whether one person is connected with another in relation to a company, [^{F246}section 1122(4) of CTA 2010] shall be disregarded.
- (11) References in this section—

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (a) to rights and powers of a person, or
 - (b) to rights and powers which a person is or will become entitled to acquire,
- include references to rights or powers which are exercisable by that person, or (when acquired by that person) will be exercisable, only jointly with one or more other persons.]

Textual Amendments

- F243** S. 755D inserted (with effect in accordance with Sch. 31 para. 9(3) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 4(1)**
- F244** S. 755D(1A) inserted (with effect in accordance with s. 64(7)(9)-(11) of the amending Act) by Finance Act 2008 (c. 9), **s. 64(3)(a)**
- F245** Words in s. 755D(2) inserted (with effect in accordance with s. 64(7)(9)-(11) of the amending Act) by Finance Act 2008 (c. 9), **s. 64(3)(b)**
- F246** Words in s. 755D(10) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 100** (with Sch. 2)

Modifications etc. (not altering text)

- C15** S. 755D applied (with modifications) by Corporation Tax Act 2009 (c. 4), **s. 931E(4)(5)** (as inserted (with effect in accordance with Sch. 14 para. 31 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 14 para. 1**)
- C16** S. 755D applied (with modifications) by Corporation Tax Act 2009 (c. 4), **s. 486E(10)** (as inserted (with effect in accordance with Sch. 24 paras. 11, 13-16 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 24 para. 3**)

756 Interpretation and construction of Chapter IV.

^{M7}(1) In this Chapter—

[^{F247}“company tax return” means a return required to be made under Schedule 18 to the Finance Act 1998;]

“trading company” means a company whose business consists wholly or mainly of the carrying on of a trade or trades.

[^{F248}(1A) In this Chapter “EEA territory”, in relation to any time, means a territory which is an EEA state at that time other than the United Kingdom.

(1B) But a territory is not to be regarded for the purposes of subsection (1A) above as an EEA state at any time if—

- (a) it is not a member State at that time, and
- (b) there are no arrangements made in relation to the territory having effect by virtue of section 173 of the Finance Act 2006 (international tax enforcement arrangements) at that time.]

(2) For the purposes of this Chapter—

- (a) [^{F249}section 1122 of CTA 2010] applies; and
- [^{F250}(b) subsections (2) to (7) of section 882 of CTA 2010 (meaning of associates) apply.]

[^{F251}(3) In this Chapter “loan creditor” has the meaning given by section 453 of CTA 2010.]

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

- F247** S. 756(1): definition of "company tax return" inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 16; S.I. 1998/3173, art. 2
- F248** S. 756(1A)(1B) inserted (with effect in accordance with Sch. 15 para. 10 of the amending Act) by Finance Act 2007 (c. 11), Sch. 15 para. 6
- F249** Words in s. 756(2)(a) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 101(2)(a) (with Sch. 2)
- F250** S. 756(2)(b) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 101(2)(b) (with Sch. 2)
- F251** S. 756(3) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 101(3) (with Sch. 2)

Marginal Citations

- M7** Source—1984 s.91

[^{F252}CHAPTER V

OFFSHORE FUNDS]

Textual Amendments

- F252** Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by The Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001), regs. 1(1), 13(2)(3), Sch. 2 (with Sch. 1)

[^{F253}Meaning of offshore fund

Textual Amendments

- F253** Ss. 756A-756C and preceding cross-headings inserted (with effect in accordance with s. 145(2) of the amending Act) by Finance Act 2004 (c. 12), Sch. 26 para. 3 (with Sch. 26 para. 17)

756A General definition of offshore fund

F254

Textual Amendments

- F254** Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by The Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001), regs. 1(1), 13(2)(3), Sch. 2 (with Sch. 1)

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Treatment of umbrella funds

756B Treatment of umbrella funds

F255

Textual Amendments

F255 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

Treatment of funds comprising more than one class of interest

756C Treatment of funds comprising more than one class of interest

F256]

Textual Amendments

F256 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

Material interests in non-qualifying offshore funds

757 Disposal of material interests in non-qualifying offshore funds

F257

Textual Amendments

F257 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

758 Offshore funds operating equalisation arrangements

F258

Textual Amendments

F258 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

759 Material interests in offshore funds

F259

Textual Amendments

F259 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

760 Non-qualifying offshore funds

F260

Textual Amendments

F260 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

Charge to tax of offshore income gains

761 Charge to income tax or corporation tax of offshore income gain.

F261

Textual Amendments

F261 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

762 Offshore income gains accruing to persons resident or domiciled abroad.

F262

Textual Amendments

F262 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

[^{F263}762ZA] Offshore income gains: application of transfer of assets abroad provisions

F264

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

- F263** Ss. 762ZA, 762ZB inserted (with effect in accordance with [Sch. 7 para. 98](#) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 94](#)
- F264** Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), [regs. 1\(1\), 13\(2\)\(3\)](#), [Sch. 2](#) (with [Sch. 1](#))

762ZB Income treated as arising under section 761(1): remittance basis

F265]

Textual Amendments

- F263** Ss. 762ZA, 762ZB inserted (with effect in accordance with [Sch. 7 para. 98](#) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 94](#)
- F265** Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), [regs. 1\(1\), 13\(2\)\(3\)](#), [Sch. 2](#) (with [Sch. 1](#))

[^{F266}762AE Exchange of interests of different classes

F267]

Textual Amendments

- F266** S. 762A inserted (with effect in accordance with s. 145(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 26 para. 15\(1\)](#) (with [Sch. 26 para. 17](#))
- F267** Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), [regs. 1\(1\), 13\(2\)\(3\)](#), [Sch. 2](#) (with [Sch. 1](#))

763 Deduction of offshore income gain in determining capital gain.

F268

Textual Amendments

- F268** Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), [regs. 1\(1\), 13\(2\)\(3\)](#), [Sch. 2](#) (with [Sch. 1](#))

764 Offshore income gains of trustees.

F269

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

F269 S. 764 repealed (6.4.2006) by Finance Act 2006 (c. 25), Sch. 13 paras. 23, 27(1), Sch. 26 Pt. 3(15), Note

CHAPTER VI

MISCELLANEOUS

Migration etc. of company

765 Migration etc. of companies.

F270

Textual Amendments

F270 S. 765 omitted (with effect in accordance with Sch. 17 para. 13 of the repealing Act) by virtue of Finance Act 2009 (c. 10), Sch. 17 para. 1(a)

[^{F271}**765A** Movements of capital between residents of member States.

F272]

Textual Amendments

F271 S. 765A inserted (with effect in accordance with s. 68(4) of the amending Act) by Finance Act 1990 (c. 29), s. 68(2)

F272 S. 765A omitted (with effect in accordance with Sch. 17 para. 13 of the repealing Act) by virtue of Finance Act 2009 (c. 10), Sch. 17 para. 1(b)

766 Offences under section 765.

F273

Textual Amendments

F273 S. 766 omitted (with effect in accordance with Sch. 17 para. 13 of the repealing Act) by virtue of Finance Act 2009 (c. 10), Sch. 17 para. 1(c)

767 Interpretation and commencement of sections 765 and 766.

F274

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

- F274** S. 767 omitted (with effect in accordance with Sch. 17 para. 13 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 17 para. 1(d)**

Change in ownership of company

[^{F275}767A] **Change in company ownership: corporation tax.**

^{F276}

Textual Amendments

- F275** Ss. 767A, 767B inserted (with effect in accordance with s. 135(6) of the amending Act) by Finance Act 1994 (c. 9), s. **135(1)**
- F276** Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F277}767AA_{F278}] **Change in company ownership: postponed corporation tax.**

Textual Amendments

- F275** Ss. 767A, 767B inserted (with effect in accordance with s. 135(6) of the amending Act) by Finance Act 1994 (c. 9), s. **135(1)**
- F277** S. 767AA inserted (with effect in accordance with s. 114(2) of the amending Act) by Finance Act 1998 (c. 36), s. **114(1)**
- F278** Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, **Sch. 3 Pt. 1** (with Sch. 2)

767B Change of company ownership: supplementary.

^{F279}

Textual Amendments

- F275** Ss. 767A, 767B inserted (with effect in accordance with s. 135(6) of the amending Act) by Finance Act 1994 (c. 9), s. **135(1)**
- F279** Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F280}767C] **Change in company ownership: information.**

^{F281}

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

F280 S. 767C inserted (with effect in accordance with s. 115(3) of the amending Act) by Finance Act 1998 (c. 36), s. 115(1)

F281 S. 767C omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 81 (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 6)

768 Change in ownership of company: disallowance of trading losses.

F282

Textual Amendments

F282 Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, Sch. 3 Pt. 1 (with Sch. 2) (subject to the omission of s. 768(9), so far as it continues to have effect, by virtue of Finance Act 2011 (c. 11), Sch. 23 paras. 55(d), 65)

[^{F283}768A Change in ownership: disallowance of carry back of trading losses.

F284]

Textual Amendments

F283 S. 768A inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 73(3)(4)(5), Sch. 15 para. 20(1)

F284 Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, Sch. 3 Pt. 1 (with Sch. 2)

[^{F285}768B^{F286} Change in ownership of company with investment business: deductions generally]

F287

Textual Amendments

F285 Ss. 768B, 768C inserted (with application in accordance with Sch. 26 para. 5 of the amending Act) by Finance Act 1995 (c. 4), Sch. 26 para. 2

F286 S. 768B sidenote substituted (with effect in accordance with ss. 42-44 of the amending Act) by virtue of Finance Act 2004 (c. 12), Sch. 6 para. 3(7)

F287 Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, Sch. 3 Pt. 1 (with Sch. 2)

768C Deductions: asset transferred within group.

F288]

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

- F285** Ss. 768B, 768C inserted (with application in accordance with [Sch. 26 para. 5](#) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 26 para. 2](#)
- F288** Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 102](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F289}**768D** **Change in ownership of company carrying on property business.**

^{F290}

Textual Amendments

- F289** S. 768D inserted (with effect in accordance with s. 38(2)(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 5 para. 31](#) (with [Sch. 5 para. 73](#))
- F290** Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 102](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F291}**768E** **Change in ownership of company with unused non-trading loss on intangible fixed assets**

^{F292}

Textual Amendments

- F291** S. 768E inserted (24.7.2002) by [Finance Act 2002 \(c. 23\)](#), [Sch. 30 para. 4\(3\)](#)
- F292** Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 102](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

769 Rules for ascertaining change in ownership of company.

^{F293}

Textual Amendments

- F293** Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 102](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Transactions between associated persons

[^{F294}**770A** **Provision not at arm's length.**

^{F295}

Textual Amendments

- F294** S. 770A substituted for ss. 770-773 (with effect in accordance with s. 108(5) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [s. 108\(1\)](#); S.I. 1998/3173, [art. 2](#)

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

F295 S. 770A repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 110, Sch. 10 Pt. 2](#) (with Sch. 9)

F294 **770 Sales etc. at an undervalue or overvalue.**

.....

Textual Amendments

F294 S. 770A substituted for ss. 770-773 (with effect in accordance with s. 108(5) of the amending Act) by [Finance Act 1998 \(c. 36\), s. 108\(1\)](#); S.I. 1998/3173, [art. 2](#)

F294 **771 Transactions by petroleum companies.**

.....

Textual Amendments

F294 S. 770A substituted for ss. 770-773 (with effect in accordance with s. 108(5) of the amending Act) by [Finance Act 1998 \(c. 36\), s. 108\(1\)](#); S.I. 1998/3173, [art. 2](#)

F294 **772 Information for purposes of section 770, and appeals.**

.....

Textual Amendments

F294 S. 770A substituted for ss. 770-773 (with effect in accordance with s. 108(5) of the amending Act) by [Finance Act 1998 \(c. 36\), s. 108\(1\)](#); S.I. 1998/3173, [art. 2](#)

F294 **773 Interpretation of sections 770 and 771.**

.....

Textual Amendments

F294 S. 770A substituted for ss. 770-773 (with effect in accordance with s. 108(5) of the amending Act) by [Finance Act 1998 \(c. 36\), s. 108\(1\)](#); S.I. 1998/3173, [art. 2](#)

774 Transactions between dealing company and associated company.

^{M8}(1) Subject to the provisions of this section, where—

- (a) a dealing company becomes entitled to a deduction, in computing the profits or gains of the company for tax purposes for any period, in respect of the depreciation in the value of any right subsisting against an associated company, being a non-dealing company; or

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

- (b) a dealing company makes any payment to such an associated company, being a payment in respect of which the dealing company is entitled to a deduction in computing its profits or gains for tax purposes for any period;
and the depreciation or payment is not brought into account in computing the profits or gains of the non-dealing company, that company shall be deemed to have received on the last day of the period income of an amount equal to the amount of the deduction and shall be chargeable [^{F296}to tax] in respect thereof [^{F297}(in the case of corporation tax, under [^{F298}the charge to corporation tax on income])].
- (2) Where the non-dealing company is carrying on a trade, the income referred to in subsection (1) above shall, if the company so elects, not be so chargeable but shall be deemed to have been a receipt of the trade, or, if the company is carrying on more than one trade, to have been a receipt of such one of the trades as the company may choose.
- (3) Where the non-dealing company is carrying on, or was formed to carry on a trade, then if—
- (a) either—
- (i) the right subsisting against it was a right to the repayment of moneys lent for meeting expenditure which has proved (in whole or in part) abortive, or
- (ii) the payment to the company was made for meeting such expenditure, and
- (b) that expenditure is such that the company is not entitled in respect of it to any allowance or deduction in computing losses or gains,
- subsection (1) above shall not apply in so far as the expenditure proved abortive.
- (4) For the purposes of this section—
- (a) “company” includes any body corporate;
- (b) “dealing company” means a company dealing in securities, land or buildings and includes any company whose profits on the sale of securities, land or buildings are part of its trading profits;
- (c) “non-dealing company” means any company which is not a dealing company;
- (d) two or more companies shall be treated as associated companies if one has control of the other or others, or any person has control of both or all of them;
- (e) references to a company (“the first company”) having control of another company (“the second company”) shall be construed as references to the first company having control of the second company either by itself or in conjunction with any person having control over the first company, and “control” has the meaning given by [^{F299}section 1124 of CTA 2010];
- (f) “securities” includes shares and stock.
- (5) ^{F300}

Textual Amendments

F296 Words in s. 774(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. 310\(a\)](#) (with Sch. 2)

F297 Words in s. 774(1) 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. 310\(b\)](#) (with Sch. 2)

F298 Words in s. 774(1) 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. 225](#) (with Sch. 2 Pts. 1, 2)

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

F299 Words in s. 774(4)(e) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 103 (with Sch. 2)

F300 S. 774(5) omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 1, Sch. para. 22

Marginal Citations

M8 Source—1970 s.486

[^{F301} Factoring of income receipts etc

Textual Amendments

F301 Ss. 774A-774G and preceding cross-heading inserted (with effect in accordance with Sch. 6 para. 6(2)-(7) of the amending Act) by Finance Act 2006 (c. 25), Sch. 6 para. 6(1)

774A Meaning of “structured finance arrangement” for purposes of s.774B

F302

Textual Amendments

F302 Ss. 774A-774G repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 104, Sch. 3 Pt. 2 (with Sch. 2); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 265, Sch. 10 Pt. 10 (with Sch. 9)

774B Disregard of intended effects of arrangement involving disposals of assets

F303

Textual Amendments

F303 Ss. 774A-774G repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 104, Sch. 3 Pt. 2 (with Sch. 2); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 265, Sch. 10 Pt. 10 (with Sch. 9)

774C Meaning of “structured finance arrangement” for purposes of s.774D

F304

Textual Amendments

F304 Ss. 774A-774G repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 104, Sch. 3 Pt. 2 (with Sch. 2); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 265, Sch. 10 Pt. 10](#) (with Sch. 9)

774D Disregard of intended effects of arrangement involving change in relation to a partnership

F305

Textual Amendments

F305 [Ss. 774A-774G](#) repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 104, Sch. 3 Pt. 2](#) (with Sch. 2); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 265, Sch. 10 Pt. 10](#) (with Sch. 9)

774E Sections 774B and 774D: exceptions

F306

Textual Amendments

F306 [Ss. 774A-774G](#) repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 104, Sch. 3 Pt. 2](#) (with Sch. 2); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 265, Sch. 10 Pt. 10](#) (with Sch. 9)

774F Sections 774B and 774D: power to provide further exceptions

F307

Textual Amendments

F307 [Ss. 774A-774G](#) repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 104, Sch. 3 Pt. 2](#) (with Sch. 2); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 265, Sch. 10 Pt. 10](#) (with Sch. 9)

774G Sections 774A to 774D: minor definitions etc

F308

Textual Amendments

F308 [Ss. 774A-774G](#) repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 104, Sch. 3 Pt. 2](#) (with Sch. 2); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [Sch. 8 para. 265](#), [Sch. 10 Pt. 10](#) (with [Sch. 9](#))

Other provisions

775 Sale by individual of income derived from his personal activities.

F309

Textual Amendments

F309 [S. 775](#) 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. 182](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F310}775A] Transfers of rights to receive annual payments

F311]

Textual Amendments

F310 [S. 775A](#) inserted (with effect in accordance with [Sch. 7 para. 4\(2\)](#) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 7 para. 4\(1\)](#)

F311 [S. 775A](#) omitted (with effect in accordance with [Sch. 25 para. 10](#) of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 25 para. 9\(1\)\(b\)](#)

776 Transactions in land: taxation of capital gains.

F312

Textual Amendments

F312 [Ss. 776-778](#) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 105](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

777 Provisions supplementary to [^{F313}section 776].

F314

Textual Amendments

F313 Words in [s. 777](#) 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. 185\(13\)](#) (with [Sch. 2](#))

F314 [Ss. 776-778](#) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 105](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

778 Power to obtain information.

F315

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

F315 Ss. 776-778 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 105, **Sch. 3 Pt. 1** (with Sch. 2)

779 Sale and leaseback: limitation on tax reliefs.

F316

Textual Amendments

F316 Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 106, **Sch. 3 Pt. 2** (with Sch. 2); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 242, **Sch. 10 Pt. 9** (with Sch. 9)

780 Sale and leaseback: taxation of consideration received.

F317

Textual Amendments

F317 Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 106, **Sch. 3 Pt. 2** (with Sch. 2); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 242, **Sch. 10 Pt. 9** (with Sch. 9)

781 Assets leased to traders and others.

F318

Textual Amendments

F318 Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 106, **Sch. 3 Pt. 2** (with Sch. 2); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 242, **Sch. 10 Pt. 9** (with Sch. 9)

782 Leased assets: special cases.

F319

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

F319 Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 106, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 242, Sch. 10 Pt. 9](#) (with [Sch. 9](#))

783 Leased assets: supplemental.

F320

Textual Amendments

F320 Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 106, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 242, Sch. 10 Pt. 9](#) (with [Sch. 9](#))

784 Leased assets subject to hire-purchase agreements.

F321

Textual Amendments

F321 Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 106, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 242, Sch. 10 Pt. 9](#) (with [Sch. 9](#))

785 Meaning of “asset”, “capital sum” and “lease” for purposes of sections 781 to 784.

F322

Textual Amendments

F322 Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 106, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 242, Sch. 10 Pt. 9](#) (with [Sch. 9](#))

[F323] 785ZA Restrictions on use of losses: leasing partnerships

F324

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

Textual Amendments

- F323** Ss. 785ZA, 785ZB inserted (with effect in accordance with s. 83(4)-(6) of the amending Act) by Finance Act 2006 (c. 25), s. 83(2)
- F324** S. 785ZA repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 107, **Sch. 3 Pt. 1** (with Sch. 2)

785ZB Section 785ZA: definitions

F325

Textual Amendments

- F323** Ss. 785ZA, 785ZB inserted (with effect in accordance with s. 83(4)-(6) of the amending Act) by Finance Act 2006 (c. 25), s. 83(2)
- F325** S. 785ZB repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 108, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F326}785A] Rent factoring of leases of plant or machinery

F327

Textual Amendments

- F326** S. 785A inserted (with effect in accordance with s. 135(2) of the amending Act) by Finance Act 2004 (c. 12), s. 135(1)
- F327** S. 785A omitted (with effect in accordance with Sch. 25 para. 10 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 25 para. 9(1)(c)**

[^{F328}785B] Plant and machinery leases: capital receipts to be treated as income

F329

Textual Amendments

- F328** Ss. 785B-785E inserted (with effect in accordance with Sch. 20 para. 1(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 20 para. 1(1)** (with transitional modifications in Sch. 20 para. 1(3))
- F329** S. 785B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 109, **Sch. 3 Pt. 1** (with Sch. 2)

785C Section 785B: interpretation

F330

Textual Amendments

- F328** Ss. 785B-785E inserted (with effect in accordance with Sch. 20 para. 1(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 20 para. 1(1)** (with transitional modifications in Sch. 20 para. 1(3))

Status: Point in time view as at 19/07/2011.

Changes to legislation: Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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)

F330 S. 785C repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 110, **Sch. 3 Pt. 1** (with Sch. 2)

785D Section 785B: lease of plant and machinery and other property

F331

Textual Amendments

F328 Ss. 785B-785E inserted (with effect in accordance with Sch. 20 para. 1(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 20 para. 1(1)** (with transitional modifications in Sch. 20 para. 1(3))

F331 S. 785D repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 111, **Sch. 3 Pt. 1** (with Sch. 2)

785E Section 785B: expectation that relevant capital payment will not be paid

F332]

Textual Amendments

F328 Ss. 785B-785E inserted (with effect in accordance with Sch. 20 para. 1(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 20 para. 1(1)** (with transitional modifications in Sch. 20 para. 1(3))

F332 S. 785E repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 112, **Sch. 3 Pt. 1** (with Sch. 2)

786 Transactions associated with loans or credit.

F333

Textual Amendments

F333 S. 786 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 113, **Sch. 3 Pt. 2** (with Sch. 2); and s. 786 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 266, **Sch. 10 Pt. 10** (with Sch. 9)

787 Restriction of relief for payments of interest.

F334

Textual Amendments

F334 S. 787 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 7 para. 49, **Sch. 10 Pt. 12** (with Sch. 9)

Status:

Point in time view as at 19/07/2011.

Changes to legislation:

Income and Corporation Taxes Act 1988, PART XVII is up to date with all changes known to be in force on or before 11 June 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.