

Status: Point in time view as at 10/07/2003.

Changes to legislation: Income and Corporation Taxes Act 1988, SCHEDULE 24 is up to date with all changes known to be in force on or before 15 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 24

Section 747(6).

^{M1} ASSUMPTIONS FOR CALCULATING CHARGEABLE PROFITS, CREDITABLE TAX AND CORRESPONDING UNITED KINGDOM TAX OF FOREIGN COMPANIES

Modifications etc. (not altering text)

C1 Sch. 24 modified (28.7.2000) by Finance Act 2000 (c. 17), Sch. 22 para. 54(2)-(5)

Marginal Citations

M1 Source-1984 Sch. 16, 1985 Sch. 14 16

General

- 1 (1) The company shall be assumed to be resident in the United Kingdom.
- (2) Nothing in sub-paragraph (1) above requires it to be assumed that there is any change in the place or places at which the company carries on its activities.
- (3) For the avoidance of doubt, it is hereby declared that, if any sums forming part of the company's profits for an accounting period have been received by the company without any deduction of or charge to tax [^{F1}and have been so received by virtue of section 154(2) of the Finance Act 1996] the effect of the assumption in sub-paragraph (1) above is that those sums are to be brought within the charge to tax for the purposes of calculating the company's chargeable profits or corresponding United Kingdom tax.

[^{F2}(3A) In any case where—

- (a) it is at any time necessary for any purpose of Chapter IV of Part XVII to determine [^{F3}in the case of any person] the chargeable profits of the company for an accounting period, and
- (b) at that time—
 - [^{F4}(i) it has not been established in the case of that person that that or any earlier accounting period of the company is an accounting period in respect of which an apportionment under section 747(3) falls to be made, and]
 - (ii) it has not been established [^{F5}in the case of that person] that that or any earlier accounting period of the company is an ADP exempt period,

[^{F6}in determining the chargeable profits of the company for the accounting period mentioned in paragraph (a) above, it shall be assumed, for the purposes of those provisions of paragraphs 2 and 10 below which refer to the first accounting period in respect of which an apportionment under section 747(3) falls to be made or which is

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an ADP exempt period, that that period (but not any earlier period) is an accounting period in respect of which such an apportionment falls to be made or which is an ADP exempt period.]]

- (4) In any case where—
- (a) it is at any time necessary for any purpose of Chapter IV of Part XVII to determine [^{F7}in the case of any person] the chargeable profits of the company for an accounting period, and
 - [^{F8}(b) at that time it has not been established in the case of that person that that or any earlier accounting period of the company is an accounting period in respect of which an apportionment under section 747(3) falls to be made,]
[^{F9}in determining the chargeable profits of the company for the accounting period mentioned in paragraph (a) above, it shall be assumed, for the purposes of those provisions of paragraph 9 below which refer to the first accounting period in respect of which an apportionment under section 747(3) falls to be made, that such an apportionment falls to be made in respect of that period (but not in respect of any earlier period).]
- (5) Nothing in this Schedule affects any liability for, or the computation of, corporation tax in respect of a trade which is carried on by a company resident outside the United Kingdom through a [^{F10}permanent establishment] in the United Kingdom.
- [^{F11}(6) Any reference in this Schedule to an “ADP exempt period”, in the case of any company, is a reference to an accounting period of the company—
- (a) which begins on or after 28th November 1995; and
 - (b) in respect of which the company pursued, within the meaning of Part I of Schedule 25, an acceptable distribution policy.]

Textual Amendments

- F1** Words in Sch. 24 para. 1(3) substituted (with effect in accordance with s. 154(9) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 28 para. 6**
- F2** Sch. 24 para. 1(3A) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(2)**
- F3** Words in Sch. 24A para. 1(3A)(a) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(3)**; S.I. 1998/3173, **art. 2**
- F4** Sch. 24 para. 1(3A)(b)(i) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(4)(a)**; S.I. 1998/3173, **art. 2**
- F5** Words in Sch. 24 para. 2(3A)(b)(ii) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(4)(b)**; S.I. 1998/3173, **art. 2**
- F6** Words in Sch. 24 para. 1(3A) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(5)**; S.I. 1998/3173, **art. 2**
- F7** Words in Sch. 24 para. 1(4)(a) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(7)**; S.I. 1998/3173, **art. 2**
- F8** Sch. 24 para. 1(4)(b) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(8)**; S.I. 1998/3173, **art. 2**
- F9** Words in Sch. 24 para. 1(4) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(9)**; S.I. 1998/3173, **art. 2**
- F10** Words in Sch. 24 para. 1(5) substituted (with effect in accordance with s. 153(4) of the amending Act) by Finance Act 2003 (c. 14), **s. 153(1)(a)**
- F11** Sch. 24 para. 1(6) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(3)**

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- 2 (1) The company shall be assumed to have become resident in the United Kingdom (and, accordingly, within the charge to corporation tax) at the beginning of the first accounting period—
- [^{F12}(a) in respect of which [^{F13}an apportionment under section 747(3) falls to be made], or
- (b) which is an ADP exempt period,
- and] that United Kingdom residence shall be assumed to continue throughout subsequent accounting periods of the company (whether or not [^{F14}an apportionment falls to be made] in respect of all or any of them) until the company ceases to be controlled by persons resident in the United Kingdom.
- (2) Except in so far as the following provisions of this Schedule otherwise provide, for the purposes of calculating a company's chargeable profits or corresponding United Kingdom tax for any accounting period which is not the first such period referred to in sub-paragraph (1) above (and, in particular, for the purpose of applying any relief which is relevant to two or more accounting periods), it shall be assumed that a calculation of chargeable profits or, as the case may be, corresponding United Kingdom tax has been made for every previous accounting period throughout which the company was, by virtue of sub-paragraph (1) above, assumed to have been resident in the United Kingdom.

Textual Amendments

- F12** Words in Sch. 24 para. 2(1) substituted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), Sch. 36 para. 3(4)
- F13** Words in Sch. 24 para. 2(1)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 18(a); S.I. 1998/3173, art. 2
- F14** Words in Sch. 24 para. 2(1) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 18(b); S.I. 1998/3173, art. 2

- 3 The company shall be assumed not to be a close company.
- 4 (1) Subject to sub-paragraph (2) below, where any relief under the Corporation Tax Acts is dependent upon the making of a claim or election, the company shall be assumed to have made that claim or election which would give the maximum amount of relief and to have made that claim or election within any time limit applicable to it.
- [^{F15}(1A) Sub-paragraph (2) below applies to any accounting period of the company—
- (a) in respect of which [^{F16}an apportionment under section 747(3) falls to be made]; or
- (b) which is an ADP exempt period.]
- (2) [^{F17}Where this sub-paragraph applies to an accounting period of the company, then] if, by notice [^{F18}given to an officer of the Board] at any time not later than the expiry of [^{F19}the period of twenty months following the end of the accounting period] or within such longer period as the Board may in any particular case allow, the United Kingdom resident company which has or, as the case may be, any two or more United Kingdom resident companies which together have, a majority interest in the company so request, the company shall be assumed—
- (a) not to have made any claim or election specified in the notice; or

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- (b) to have made a claim or election so specified, being different from one assumed by sub-paragraph (1) above but being one which (subject to compliance with any time limit) could have been made in the case of a company within the charge to corporation tax; or
- (c) to have disclaimed or required the postponement, in whole or in part, of an allowance if (subject to compliance with any time limit) a company within the charge to corporation tax could have disclaimed the allowance or, as the case may be, required such a postponement.

[^{F20}(2A) ^{F21}.....]

- (3) For the purposes of this paragraph, a United Kingdom resident company has, or two or more United Kingdom resident companies together have, a majority interest in the company if on the apportionment of the company's chargeable profits for the relevant accounting period under section 747(3) more than half of the amount of those profits—
 - (a) which are apportioned to all United Kingdom resident companies, and
 - (b) which give rise to [^{F22}any liability] on any such companies under subsection (4)(a) of that section,
are apportioned to the United Kingdom resident company or companies concerned.

- [^{F23}(3A) Sub-paragraph (3) above shall apply in relation to an accounting period which is an ADP exempt period as it would apply if—
 - (a) that accounting period had instead been one in respect of which [^{F24}an apportionment under section 747(3) had fallen to be made], and
 - [^{F25}(b) such apportionments as are mentioned in sub-paragraph (3) above had been made and such liabilities as are mentioned in that sub-paragraph had arisen.]]
- (4) In sub-paragraph (3) above “the relevant accounting period” means the accounting period or, as the case may be, the first accounting period in which the relief in question is or would be available in accordance with sub-paragraph (1) above.

Textual Amendments

- F15** Sch. 24 para. 4(1A) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(5)**
- F16** Words in Sch. 24 para. 4(1A)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 19(2)**; S.I. 1998/3173, **art. 2**
- F17** Words in Sch. 24 para. 4(2) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(6)(a)**
- F18** Words in Sch. 24 para. 4(2) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 19(3)(a)**; S.I. 1998/3173, **art. 2**
- F19** Words in Sch. 24 para. 4(2) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 19(3)(b)**; S.I. 1998/3173, **art. 2**
- F20** Sch. 24 para. 4(2A) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(7)**
- F21** Sch. 24 para. 4(2A) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 19(4), **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**
- F22** Words in Sch. 24 para. 4(3)(b) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 19(5)**; S.I. 1998/3173, **art. 2**
- F23** Sch. 24 para. 4(3A) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(8)**

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- F24** Words in Sch. 24 para. 4(3A)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 19(6)(a)**; S.I. 1998/3173, **art. 2**
- F25** Sch. 24 para. 4(3A)(b) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 19(6)(b)**; S.I. 1998/3173, **art. 2**

Modifications etc. (not altering text)

- C2** Sch. 24 para. 4(1) excluded (with effect in accordance with Sch. 29 Pt. 14 of the affecting Act) by Finance Act 2002 (c. 23), **Sch. 29 para. 116(3)**
- C3** Sch. 24 para. 4(1) restricted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **s. 870(4)(5)** (with Sch. 2 Pts. 1, 2)
- C4** Sch. 24 para. 4(2) modified (29.5.2001 with effect in accordance with reg. 1 of the modifying S.I.) by The General Insurance Reserves (Tax) Regulations 2001 (S.I. 2001/1757), **reg. 8(3)**
- C5** Sch. 24 para. 4(3)(4) applied (with modifications) (23.3.1995) by The Exchange Gains and Losses (Alternative Method of Calculation of Gain or Loss) Regulations 1994 (S.I. 1994/3227), **regs. 1(2), 6**

[^{F26}4A ^{F27}

Textual Amendments

- F26** Sch. 24 para. 4A inserted (27.7.1993 with effect as mentioned in s. 96(2) of the amending act in relation to any accounting period on or after such day as may be appointed under s. 165(7)(b) of the amending Act) by 1993 c. 34, **ss. 96(1)(2), 165(7)(b)**
- F27** Sch. 24 para. 4A deemed never to have been inserted, by virtue of Finance Act 1995 (c. 4), Sch. 25 para. 6(3), **Sch. 29 Pt. 8(18)**, Note

Group relief etc.

5 [^{F28}(1)] The company shall be assumed to be neither a member of a group of companies nor a member of a consortium for the purposes of any provision of the Tax Acts.

[^{F29}(2) Where, under Chapter IV of Part X, any relief is in fact surrendered by the company and allowed to another company by way of group relief, it shall be assumed that the chargeable profits of the company, apart from this paragraph, are to be increased by an amount of additional profits equal to the amount of the relief so surrendered and allowed.]

Textual Amendments

- F28** Sch. 24 para. 5 renumbered as para. 5(1) (with effect in accordance with Sch. 27 para. 12(1) of the amending Act) by virtue of Finance Act 2000 (c. 17), **Sch. 27 para. 10**
- F29** Sch. 24 para. 5(2) inserted (with effect in accordance with Sch. 27 para. 12(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 27 para. 10**

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Textual Amendments

- F30** Sch. 24 para. 6 repealed (with application in accordance with Sch. 33 Pt. 2(10) Note of the repealing Act) by Finance Act 2001 (c. 9), **Sch. 33 Pt. 2(10)**

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Textual Amendments

F31 Sch. 24 para. 7 repealed (with effect in accordance with Sch. 3 para. 43(4) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 43(3), **Sch. 27 Pt. 3(2)**, Note

Company reconstructions

8

Without prejudice to the operation of section 343 in a case where the company is the predecessor, within the meaning of that section, and a company resident in the United Kingdom is the successor, within the meaning of that section—

- (a) the assumption that the company is resident in the United Kingdom shall not be regarded as requiring it also to be assumed that the company is within the charge to tax in respect of a trade for the purposes of that section, and
- (b) except in so far as the company is actually within that charge (by carrying on the trade through a [^{F32}permanent establishment] in the United Kingdom), it shall accordingly be assumed that the company can never be the successor, within the meaning of that section, to another company (whether resident in the United Kingdom or not).

Textual Amendments

F32 Words in Sch. 24 para. 8(b) substituted (with effect in accordance with s. 153(4) of the amending Act) by Finance Act 2003 (c. 14), **s. 153(1)(a)**

Losses in pre-direction accounting periods

9

(1) ^{F33} . . . This paragraph applies in any case where the company incurred a loss in a trade in an accounting period—

- (a) which precedes the first accounting period in respect of which [^{F34}an apportionment under section 747(3) falls to be made] (“the starting period”); and
- (b) which ended less than six years before the beginning of the starting period; and
- (c) in which the company was not resident [^{F35}, and is not to be assumed by virtue of paragraph 2(1)(b) above to have been resident,] in the United Kingdom;

and in this paragraph any such accounting period is referred to as a “[^{F36}pre-apportionment] period”.

(2) ^{F37}

(3) If a claim is made for the purpose by the United Kingdom resident company or companies referred to in paragraph 4(2) above, the chargeable profits (if any) of the company for accounting periods beginning with that [^{F36}pre-apportionment] period which is specified in the claim and in which a loss is incurred as mentioned in sub-paragraph (1) above shall be determined (in accordance with the provisions

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of this Schedule other than this paragraph) on the assumption that that [^{F36}pre-apportionment] period was the first accounting period in respect of which [^{F38}an apportionment under section 747(3) fell to be made].

[^{F39}(4) A claim under sub-paragraph (3) above shall be made by notice given to an officer of the Board within the period of twenty months following the end of the starting period or within such longer period as the Board may in any particular case allow.]

(5) ^{F37}

(6) ^{F37}

[^{F40}(7) 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 a claim under sub-paragraph (3) above.]

Textual Amendments

F33 Words in Sch. 24 para. 9(1) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 20(3)(a), **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**

F34 Words in Sch. 24 para. 9(1)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 20(3)(b)**; S.I. 1998/3173, **art. 2**

F35 Words in Sch. 24 para. 9(1)(c) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(9)**

F36 Words in Sch. 24 para. 9(1)(3) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 20(2)**; S.I. 1998/3173, **art. 2**

F37 Sch. 24 para. 9(2)(5)(6) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 20(4)(7)(8), **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**

F38 Words in Sch. 24 para. 9(3) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 20(5)**; S.I. 1998/3173, **art. 2**

F39 Sch. 24 para. 9(4) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 20(6)**; S.I. 1998/3173, **art. 2**

F40 Sch. 24 para. 9(7) added (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 20(9)**; S.I. 1998/3173, **art. 2**

Capital allowances^{F41} and expenditure on car hire

Textual Amendments

F41 Words in cross-heading relating to Sch. 24 para. 11A inserted (with effect in accordance with s. 579 of the amending Act) by virtue of Capital Allowances Act 2001 (c. 2), **Sch. 2 para. 66(3)(a)**

10 (1) [^{F42}Subject to paragraph 12 below,] if, in an accounting period falling before the beginning of the first accounting period—

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[^{F43}(a) in respect of which [^{F44}an apportionment under section 747(3) falls to be made], or

(b) which is an ADP exempt period,

the] company incurred any capital expenditure on the provision of [^{F45}plant or machinery for the purposes of its trade, that plant or machinery shall be assumed, for the purposes of Part 2 of the Capital Allowances Act], to have been provided for purposes wholly other than those of the trade and not to have been brought into use for the purposes of that trade until the beginning of that first accounting period, and [^{F46}section 13 of that Act (use for qualifying activity of plant or machinery provided for other purposes)] shall apply accordingly.

(2) This paragraph shall be construed as one with [^{F47}Part 2 of the Capital Allowances Act].

Textual Amendments

- F42** Words in Sch. 24 para. 10(1) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 21(a); S.I. 1998/3173, art. 2
- F43** Words in Sch. 24 para. 10(1) substituted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), Sch. 36 para. 3(10)
- F44** Words in Sch. 24 para. 10(1)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 21(b); S.I. 1998/3173, art. 2
- F45** Words in Sch. 24 para. 10(1) substituted (with effect in accordance with s. 579 of the amending Act) by Capital Allowances Act 2001 (c. 2), Sch. 2 para. 66(1)(a)
- F46** Words in Sch. 24 para. 10(1) substituted (with effect in accordance with s. 579 of the amending Act) by Capital Allowances Act 2001 (c. 2), Sch. 2 para. 66(1)(b)
- F47** Words in Sch. 24 para. 10(2) substituted (with effect in accordance with s. 579 of the amending Act) by Capital Allowances Act 2001 (c. 2), Sch. 2 para. 66(2)

11 ^{F48}

Textual Amendments

- F48** Sch. 24 para. 11 repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 22, Sch. 27 Pt. 3(27), Note; S.I. 1998/3173, art. 2

11A (1) This paragraph applies where by virtue of section 747A the company’s chargeable profits for an accounting period (the period in question) are to be computed and expressed in a currency (the relevant foreign currency) other than sterling.

(2) For the purposes of making in relation to the period in question any calculation which—

- (a) falls to be made under the enactments relating to capital allowances, and
- (b) takes account of amounts arrived at under those enactments in relation to accounting periods falling before the company’s commencement day (within the meaning given by section 747A(9)),

it shall be assumed that any such amount is the equivalent, expressed in the relevant foreign currency, of the amount expressed in sterling.

(3) ^{F49}

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- (4) For the purposes of the application of [^{F50}section 578A or 578B or section 74(2), 75(1), 76(2), (3) or (4) or 511(3) of the Capital Allowances Act] (motor cars and dwelling-houses) in relation to expenditure incurred in the period in question, it shall be assumed that any sterling sum mentioned in any of those sections is the equivalent, expressed in the relevant foreign currency, of the amount expressed in sterling.
- (5) The translation required by sub-paragraph (2) above shall be made by reference to the London closing exchange rate for the two currencies concerned for the first day of the period in question.
- (6) ^{F49}
- (7) The translation required by sub-paragraph (4) above shall be made by reference to the London closing exchange rate for the two currencies concerned for the day on which the expenditure concerned was incurred.

Textual Amendments

- F49** Sch. 24 para. 11A(3)(6) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 23, **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**
- F50** Words in Sch. 24 para. 11A(4) substituted (with effect in accordance with s. 579 of the amending Act) by Capital Allowances Act 2001 (c. 2), **Sch. 2 para. 66(3)(b)**

Unremittable overseas income

- 12 For the purposes of the application of section 584 to the company’s income it shall be assumed—
 - (a) that any reference in paragraph (a) or paragraph (b) of subsection (1) of that section to the United Kingdom is a reference to both the United Kingdom and the territory in which the company is in fact resident; and
 - (b) that a notice under subsection (2) of that section (expressing a wish to be assessed in accordance with that subsection) may be given on behalf of the company by the United Kingdom resident company or companies referred to in paragraph 4(2) above.

[^{F51} Exchange gains and losses

Textual Amendments

- F51** Sch. 24 paras. 13-19 and cross-heading inserted (1.5.1995) by Finance Act 1995 (c. 4), **Sch. 25 para. 6(5)**

- 13 ^{F52}

Textual Amendments

- F52** Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by Finance Act 2002 (c. 23), **Sch. 40 Pt. 3(10)**, Note

- 14 ^{F53}

Status: Point in time view as at 10/07/2003.

Changes to legislation: *Income and Corporation Taxes Act 1988, SCHEDULE 24 is up to date with all changes known to be in force on or before 15 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

Textual Amendments

F53 Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

15 **F54**

Textual Amendments

F54 Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

16 **F55**

Textual Amendments

F55 Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

17 **F56**

Textual Amendments

F56 Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

18 **F57**

Textual Amendments

F57 Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

19 **F58**]

Textual Amendments

F58 Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

[^{F59} Transfer pricing

Textual Amendments

F59 Sch. 24 para. 20 and cross-heading inserted (with effect in accordance with [Sch. 17 para. 37](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), **Sch. 17 para. 24**; S.I. 1998/3173, **art. 2**

Status: Point in time view as at 10/07/2003.

Changes to legislation: Income and Corporation Taxes Act 1988, SCHEDULE 24 is up to date with all changes known to be in force on or before 15 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 20 (1) Sub-paragraph (2) of paragraph 5 of Schedule 28AA (no potential UK tax advantage where both parties are within charge to income or corporation tax etc) shall be assumed not to apply in any case where, apart from that sub-paragraph (and on the assumption in paragraph 1(1) above),—
- (a) paragraph 6 of that Schedule would apply; and
 - (b) the company would be the disadvantaged person for the purposes of that paragraph.
- (2) Schedule 28AA (transfer pricing etc: provision not at arm's length) shall be assumed not to apply in any case where, apart from this sub-paragraph,—
- (a) the actual provision would (on the assumption in paragraph 1(1) above) confer a potential advantage in relation to United Kingdom taxation on the company;
 - (b) the other affected person would be a company resident outside the United Kingdom; and
 - (c) each accounting period of that company which falls wholly or partly within the accounting period in question is one as regards which—
 - (i) an apportionment under section 747(3) falls to be made; or
 - (ii) no such apportionment falls to be made by virtue of the period being an ADP exempt period.
- (3) In any case where—
- (a) by virtue of sub-paragraph (2) above, Schedule 28AA is assumed not to apply, and
 - (b) the actual provision mentioned in paragraph (a) of that sub-paragraph involves (on the assumption in paragraph 1(1) above) any such interest or other distribution out of assets as would constitute a distribution for the purposes of the Corporation Tax Acts by virtue of paragraph (da) of section 209(2),
- that interest or distribution out of assets shall be assumed not to constitute such a distribution by virtue of that paragraph.]

Status:

Point in time view as at 10/07/2003.

Changes to legislation:

Income and Corporation Taxes Act 1988, SCHEDULE 24 is up to date with all changes known to be in force on or before 15 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.