

SCHEDULES

SCHEDULE 23

TAX TREATMENT OF AMOUNTS RELATING TO ACQUISITION ETC. OF CERTAIN RIGHTS

Tax treatment must accord with accounting approach in relevant group accounts

- 4 (1) If the taxpayer is a member of a group of companies for which consolidated group accounts are required to be prepared, the accounting approach adopted by the taxpayer for tax purposes in respect of items within paragraph 2 or 3 must not be more cautious than that adopted in the group accounts.
- (2) The “accounting approach” means the accounting policies used in preparing the accounts and the methods of applying those policies.
- (3) Where consolidated group accounts are required to be prepared for more than one group of which the taxpayer is a member, this paragraph applies in relation to each of them.
- (4) In this paragraph—
- “consolidated group accounts” means group accounts that satisfy the requirements of—
- (a) section 227 of the Companies Act 1985, or
 - (b) in Northern Ireland, Article 235 of the Companies (Northern Ireland) Order 1986,
- or the corresponding requirements of the law of a country outside the United Kingdom; and
- “group of companies” means a group as defined in—
- (a) section 262(1) of the Companies Act 1985, or
 - (b) in Northern Ireland, Article 270(1) of the Companies (Northern Ireland) Order 1986,
- or the corresponding provisions of the law of a country outside the United Kingdom.