Changes to legislation: Finance Act 2003, Cross Heading: Taxation of non-resident companies and related matters is up to date with all changes known to be in force on or before 07 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)



# Finance Act 2003

## **2003 CHAPTER 14**

### **PART 7**

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX: GENERAL

Taxation of non-resident companies and related matters

Meaning of "permanent establishment"

F1148

Textu	ual Amendments
F1	S. 148 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 410, <b>Sch. 3 Pt. 1</b> (with Sch. 2)
149	Non-resident companies: basis of charge to corporation tax
F2(	(1)
F2(	(2)
F2(	(3)
(	(4) After section 10A of the Taxation of Chargeable Gains Act 1992 (c. 12) insert—
	"10B Non-resident company with United Kingdom permanent establishment

(1) Subject to any exceptions provided by this Act, the chargeable profits for the purposes of corporation tax of a company not resident in the United Kingdom but carrying on a trade in the United Kingdom through a permanent Status: Point in time view as at 31/01/2013.

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establishment there include chargeable gains accruing to the company on the disposal of—

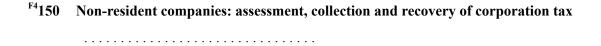
- (a) assets situated in the United Kingdom and used in or for the purposes of the trade at or before the time the gain accrued, or
- (b) assets situated in the United Kingdom and used or held for the purposes of the permanent establishment at or before the time the gain accrued or acquired for use by or for the purposes of the permanent establishment.
- (2) Subsection (1) does not apply unless the disposal is made at a time when the company is carrying on a trade in the United Kingdom through a permanent establishment there.
- (3) This section does not apply to a company that, by virtue of Part 18 of the Taxes Act (double taxation relief arrangements), is exempt from corporation tax for the chargeable period in respect of the profits of the permanent establishment.
- (4) In this section "trade" has the meaning given by section 6(4)(b) of the Taxes Act.".

F3(	5)																

(6) This section has effect in relation to accounting periods (of the non-resident company) beginning on or after 1st January 2003, and regulations under section 11AA(5) of the Taxes Act 1988 (inserted by subsection (2) above) may be made so as to have effect from that date.

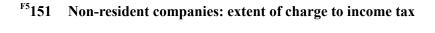
#### **Textual Amendments**

- F2 S. 149(1)-(3) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
- F3 S. 149(5) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)



#### **Textual Amendments**

S. 150 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 411, Sch. 3 Pt. 1 (with Sch. 2)



## **Textual Amendments**

F5 S. 151 repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 1 para. 452, Sch. 3 Pt. 1 (with Sch. 2)

Part 7 – Income tax, corporation tax and capital gains tax: general Document Generated: 2024-07-07

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<sup>F6</sup> 152		sident companies: transactions carried out through broker, investment or or Lloyd's agent
Text F6	_	ments  bealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax  (c. 4), s. 1184(1), Sch. 1 para. 412, Sch. 3 Pt. 1 (with Sch. 2)
153	Genera	l replacement of references to branch or agency of company
	or "bra	following provisions (which relate only to companies) for "branch or agency" inches or agencies", wherever occurring, substitute "permanent establishment permanent establishments".
	The production (a)	in the Taxes Act 1988, sections <sup>F7</sup> , <sup>F8</sup> <sup>F9</sup> 442(1), <sup>F10</sup> <sup>F11</sup> , 748A(1) (c) and (2), <sup>F12</sup> ; in Schedule 15, paragraphs 17(3)(c) and 25(2)(c); <sup>F13</sup> in Schedule 24, paragraphs 1 and 8; and in Schedule 25, paragraphs 6(2A) and (2C), 8 and 11(3); in the Taxation of Chargeable Gains Act 1992 (c. 12), sections 140(1),
	F14(c) (d) F15(e)	140C(1)(a), 173(3)(b), 175(1A)(b), 185(4) and 213(5A); 
	referen	following provisions (which relate to companies and other persons), any ace to a branch or agency shall be read, in relation to a company, as a reference rmanent establishment.
	(a) (b) (c) F21(d)	ovisions are— in the Taxes Act 1988, sections <sup>F16</sup> <sup>F17</sup> 806K(1) <sup>F18</sup> <sup>F19</sup> <sup>F20</sup> ; in the Taxation of Chargeable Gains Act 1992, sections 25(2), (3) and (5), 80(4)(a) and (b) and (7)(b), 199(2) and (4) and 276(7); in the Finance Act 1999 (c. 16), section 85(2)(a);

- (3) Any reference to a branch or agency—
  - (a) in subordinate legislation made under an enactment contained in the Tax Acts or relating to chargeable gains, or
  - (b) that is to be construed as having the same meaning as in any such enactment, shall be read, in relation to a company, as a reference to a permanent establishment.
    - "Subordinate legislation" here has the same meaning as in the Interpretation Act 1978 (c. 30).
- (4) This section has effect in relation to accounting periods beginning on or after 1st January 2003.

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#### **Textual Amendments**

- F7 Word in s. 153(1)(a) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
- F8 Words in s. 153(1)(a) repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 3 Pt. 1 (with Sch. 2)
- Words in s. 153(1)(a) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)
- F10 Words in s. 153(1)(a) repealed (with effect in accordance with s. 26(3) of the amending Act) by Finance Act 2012 (c. 14), s. 26(2)(c)
- F11 Word in s. 153(1)(a) repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), Sch. 3 (with Sch. 2)
- F12 Words in s. 153(1)(a) repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 10 Pt. 1 (with Sch. 9 paras. 1-9, 22)
- F13 Words in s. 153(1)(a) repealed (19.7.2007) by Finance Act 2007 (c. 11), Sch. 27 Pt. 2(7)
- F14 S. 153(1)(c) repealed (19.7.2007) by Finance Act 2007 (c. 11), Sch. 27 Pt. 2(11)
- F15 S. 153(1)(e) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
- F16 Word in s. 153(2)(a) repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3 (with Sch. 36)
- F17 Words in s. 153(2)(a) repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 10 Pt. 1 (with Sch. 9 paras. 1-9, 22)
- **F18** Words in s. 153(2)(a) repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1
- F19 Words in s. 153(2)(a) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
- **F20** Words in s. 153(2)(a) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)
- F21 S. 153(2)(d) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

# F22154 Double taxation relief: profits attributable to overseas permanent establishment

### **Textual Amendments**

F22 S. 154 repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 10 Pt. 1 (with Sch. 9 paras. 1-9, 22)

## 155 Consequential amendments

- (1) Schedule 27 to this Act provides for amendments consequential on the provisions of sections 148 to 153.
- (2) The amendments made by that Schedule have effect in relation to accounting periods beginning on or after 1st January 2003.

Finance Act 2003 (c. 14)

Part 7 – Income tax, corporation tax and capital gains tax: general

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## F23156 Overseas life insurance companies

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## **Textual Amendments**

F23 S. 156 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 109

### **Status:**

Point in time view as at 31/01/2013.

## **Changes to legislation:**

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