



Income Tax Act 2007

2007 CHAPTER 3

PART 6

VENTURE CAPITAL TRUSTS

CHAPTER 4

QUALIFYING HOLDINGS

Definitions

[^{F1}302A Meaning of “permanent establishment”

- (1) This section applies for the purposes of this Chapter.
- (2) A company has a “permanent establishment” in the United Kingdom if (and only if)—
 - (a) it has a fixed place of business there through which the business of the company is wholly or partly carried on, or
 - (b) an agent acting on behalf of the company has and habitually exercises there authority to enter into contracts on behalf of the company.
- (3) For the purposes of this section “fixed place of business” includes (without prejudice to the generality of that expression)—
 - (a) a place of management,
 - (b) a branch,
 - (c) an office,
 - (d) a factory,
 - (e) a workshop,
 - (f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources, and
 - (g) a building site or construction or installation project.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Section 302A. (See end of Document for details)

- (4) If the condition in subsection (5) is met, a company is not regarded as having a permanent establishment in the United Kingdom by reason of the fact that—
- (a) a fixed place of business is maintained there for the purpose of carrying on activities for the company, or
 - (b) an agent carries on activities there for and on behalf of the company.
- (5) The condition is that, in relation to the business of the company as a whole, the activities carried on are only of a preparatory or auxiliary character.
- (6) For this purpose “activities of a preparatory or auxiliary character” include (without prejudice to the generality of that expression)—
- (a) the use of facilities for the purpose of storage, display or delivery of goods or merchandise belonging to the company,
 - (b) the maintenance of a stock of goods or merchandise belonging to the company for the purpose of storage, display or delivery,
 - (c) the maintenance of a stock of goods or merchandise belonging to the company for the purpose of processing by another person, and
 - (d) purchasing goods or merchandise, or collecting information, for the company.
- (7) A company is not regarded as having a permanent establishment in the United Kingdom by reason of the fact that it carries on business there through an agent of independent status (including a broker or a general commission agent) acting in the ordinary course of the agent's business.
- (8) A company is not regarded as having a permanent establishment in the United Kingdom by reason of the fact that it controls a company that—
- (a) is resident there, or
 - (b) carries on business there (whether through a permanent establishment or otherwise).
- (9) The Treasury may by regulations amend this section.]

Textual Amendments

- F1** S. 302A inserted (6.4.2011) (with effect in accordance with Sch. 2 paras. 7(3), 8 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 2 para. 2\(12\)](#); S.I. 2011/662, art. 2

Changes to legislation:

There are currently no known outstanding effects for the Income Tax Act 2007, Section 302A.