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SCHEDULES

SCHEDULE 2 **U.K.**

TRANSITIONALS AND SAVINGS

PART 21 **U.K.**

OTHER PROVISIONS

Training courses for employees

- 137 (1) This paragraph applies if, without the repeal by this Act of section 588 of ICTA (training courses for employees)—
- (a) section 588(5) of ICTA would operate in relation to an employee by virtue of paragraph (a) of that provision and paragraph 37 of Schedule 7 to ITEPA 2003 (savings in relation to tax years before 2003-04),
 - (b) section 588(5) of ICTA would operate in relation to an employer by virtue of paragraph (b) of that provision and paragraph 37 of Schedule 7 to ITEPA 2003, or
 - (c) section 588(6) and (7) of ICTA would operate in relation to an employer by virtue of paragraph 37 of Schedule 7 to ITEPA 2003.
- (2) That repeal does not apply in relation to—
- (a) the operation of section 588(5) of ICTA in relation to the employee as mentioned in sub-paragraph (1)(a),
 - (b) the operation of section 588(5) of ICTA in relation to the employer as mentioned in sub-paragraph (1)(b), or
 - (c) the operation of section 588(6) and (7) of ICTA in relation to the employer as mentioned in sub-paragraph (1)(c).
- 138 In the Table in section 98 of TMA 1970 (special returns etc)—
- (a) the entry relating to section 588(6) of ICTA, and
 - (b) the entry relating to section 588(7) of ICTA,
- continue to have effect (despite the repeal by this Act of those entries) in relation to section 588(6) and (7) as it has effect by virtue of paragraph 137.
- 139 (1) This paragraph applies if—
- (a) at any time during the period beginning with 6 April 2003 and ending with 31 March 2009, a company (“the employer”) incurred expenditure in paying or reimbursing retraining course expenses within the meaning of section 311 of ITEPA 2003,
 - (b) the employer's liability to corporation tax for any accounting period has been determined (before or after 1 April 2009, and by assessment or otherwise) on the assumption that, by virtue only of subsection (3) (or subsections (3)

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- and (4)) of section 588 of ICTA, the employer is entitled to a deduction on account of the expenditure, and
- (c) before 1 April 2009, no assessment has been made under paragraph 41 of Schedule 18 to FA 1998 by virtue of section 588(5) of ICTA of an amount due in consequence of the failure by the person in respect of whom the expenditure was incurred to meet a condition of the kind mentioned in section 312(1)(b)(i) or (ii) of ITEPA 2003.
- (2) Section 75 (retraining courses: recovery of tax) applies in relation to the employer as if the condition in subsection (1) of that section were met.
- (3) Section 76ZE of ICTA (provision for companies carrying on life assurance provision corresponding to section 75) applies in relation to the employer as if the condition in subsection (1) of that section were met.
- (4) In the application of section 75 of this Act and section 76ZE of ICTA to the employer, references to “the employee” are to the person in respect of whom the expenditure was incurred by the employer.

Unpaid remuneration

- 140 (1) This paragraph applies for the purposes of—
- (a) section 1288 of this Act (unpaid remuneration), and
- (b) section 76ZL of ICTA (corresponding provision for companies carrying on life assurance business).
- (2) In relation to a period of account ending before 27 November 2002, an amount charged in the accounts in respect of employees' remuneration includes an amount which is held by an intermediary with a view to its becoming employees' remuneration.
- (3) In relation to a period of account ending on or after 27 November 2002, an amount charged in the accounts in respect of employees' remuneration includes an amount—
- (a) in respect of employee benefit contributions (within the meaning of sections 1290 to 1296) made before that date, and
- (b) which is held by an intermediary,
- with a view to its becoming employees' remuneration.

Employee benefit contributions

- 141 Section 1290 does not apply to deductions that would otherwise be allowed—
- (a) for a period ending before 27 November 2002, or
- (b) in respect of employee benefit contributions made before that date.

Interest on overdue corporation tax etc

- 142 (1) The repeal by this Act of section 90(1)(b) of TMA 1970 does not affect the following rules.
- (2) In calculating profits for any corporation tax purpose, no deduction is allowed for interest payable under section 86 of TMA 1970 (interest on overdue tax for accounting periods ending before 1 October 1993).

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- (3) In calculating profits for any corporation tax purpose, no deduction is allowed for interest payable under section 87 of TMA 1970 (interest on overdue advance corporation tax and income tax on company payments) or section 87A of TMA 1970 (interest on overdue corporation tax etc) on—
- (a) corporation tax for accounting periods ending before 1 July 1999, or
 - (b) tax assessable in accordance with Schedule 13 or 16 of ICTA for return periods in accounting periods ending before 1 July 1999.

*Miscellaneous profits and losses: apportionment
to accounting periods ending before 1 April 2009*

- 143 (1) This paragraph applies if—
- (a) a relevant period of account begins before 1 April 2009 and ends on or after that date, and
 - (b) in order to arrive at the profits or losses of an accounting period ending before 1 April 2009 it is necessary to apportion the profits or losses of the relevant period of account to any part of that period before 1 April 2009.
- (2) A period of account is a “relevant period” if—
- (a) section 1307 applies to the period of account, and
 - (b) the profits or losses of the part of the period of account falling in an accounting period ending after 31 March 2009 are calculated in accordance with this Act.
- (3) The profits or losses of the relevant period of account—
- (a) are calculated in accordance with this Act (and therefore, to that extent, this Act has effect for accounting periods ending before 1 April 2009), and
 - (b) may be apportioned in accordance with section 1307 to any part of the period of account falling in an accounting period ending before 1 April 2009.

Purchase and sale of securities: references to setting up and commencement etc of a trade

- 144 In section 731 of ICTA, as that section has effect in accordance with section 66(6) of FA 2008 (purchase and sale of securities: securities purchased before 1 April 2008)—
- (a) the reference in subsection (7) to the setting up and commencement of a trade is to be read as including any event that would be treated as the setting up and commencement of the trade if sections 114(1) and 337(1) of ICTA were not repealed by this Act, and
 - (b) the reference in subsection (8) to the deemed discontinuance of a trade is to be read as including any event that would be treated as the discontinuance of the trade if sections 114(1) and 337(1) of ICTA were not repealed by this Act.

References to Companies Act 2006

- 145 Until section 658 of the Companies Act 2006 (c. 46) (rule against limited company acquiring own shares) comes into force, references to that section in sections 807B(3)(f)(ii) and 807D(7)(b) of ICTA (which are inserted by Schedule 1 to this Act) have effect as if they were references to section 143 of the Companies Act 1985 (c. 6).

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Charges to tax under Case VI of Schedule D in subordinate legislation

- 146 (1) This paragraph applies if—
- (a) a provision of the Corporation Tax Acts (“the rule”) contains a reference such as is mentioned in section 834A(1) of ICTA (that is, a reference to any provision to which section 834A of ICTA applies),
 - (b) immediately before 1 April 2009 the reference was to Case VI of Schedule D (or, if the rule rewrites a provision that is repealed by this Act, the corresponding reference in that provision was to Case VI of Schedule D), and
 - (c) by virtue of that reference, the rule (or the provision that it rewrites) then applied in relation to amounts charged, under a provision of subordinate legislation, to corporation tax under Case VI of Schedule D.
- (2) As long as the provision of subordinate legislation continues to be expressed by reference to Case VI of Schedule D, the Corporation Tax Acts have effect as if it were listed in the table in section 834A(2) of ICTA.
- (3) In this paragraph “subordinate legislation” has the same meaning as in the Interpretation Act 1978 (c. 30).
- 147 (1) This paragraph applies if immediately before 1 April 2009 a provision of subordinate legislation (within the meaning of the Interpretation Act 1978) treated amounts as losses incurred in a transaction in respect of which a person is within the charge to corporation tax under Case VI of Schedule D.
- (2) As long as the provision continues to be expressed by reference to Case VI of Schedule D, it has effect as if it treated the amounts as losses incurred in a transaction in respect of which the person is within the charge to corporation tax under a provision to which section 834A of ICTA applies.

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