



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 1

#### INTRODUCTION

#### 1 Overview of Act

- (1) Part 2 is about calculation of the corporation tax chargeable on a company's profits, in particular—
  - (a) the rates at which corporation tax on profits is charged (see Chapter 2),
  - (b) ascertaining the amount of profits to which the rates of tax are applied (see Chapter 3), and
  - (c) the currency in which profits are to be calculated and expressed (see Chapter 4).
- (2) [<sup>F1</sup>Parts 4] to 7 make provision for the following reliefs—
  - <sup>F2</sup>(a) .....
  - (b) relief for trade losses (see Chapters 2 and 3 of Part 4),
  - (c) relief for losses from property businesses (see Chapter 4 of Part 4),
  - (d) relief for losses on a disposal of shares (see Chapter 5 of Part 4),
  - (e) relief for losses from miscellaneous transactions (see Chapter 6 of Part 4),
  - (f) group relief (see Part 5),
  - [<sup>F3</sup>(fa) group relief for carried-forward losses (see Part 5A),]
  - (g) relief for qualifying charitable donations (see Part 6), <sup>F4</sup> ...
  - [<sup>F5</sup>(ga) relief for expenditure on grassroots sport (see Part 6A), and]
  - (h) community investment tax relief (see Part 7).
- [<sup>F6</sup>(2A) Part 7ZA contains provision restricting the amount of certain deductions which may be made in calculating the profits of a company on which corporation tax is chargeable.]
- (3) [<sup>F7</sup>Parts 7A] to 13 make provision about special types of business and company etc, in particular—
  - [<sup>F8</sup>(za) banking companies (see Part 7A),]

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- (a) oil activities (see Part 8),
  - [<sup>F9</sup>(aa) oil contractor activities (see Part 8ZA),
  - (ab) profits arising from the exploitation of patents etc (see Part 8A),]
  - [<sup>F10</sup>(ac) trading profits taxable at Northern Ireland rate (see Part 8B),]
  - [<sup>F11</sup>(ad) restitution interest (see Part 8C),]
  - (b) leasing plant or machinery (see Part 9),
  - (c) close companies (see Part 10),
  - (d) charitable companies etc (see Part 11),
  - (e) Real Estate Investment Trusts (see Part 12),
  - (f) corporate beneficiaries under trusts (see Chapter 1 of Part 13),
  - (g) open-ended investment companies, authorised unit trusts and court investment funds (see Chapter 2 of Part 13),
  - <sup>F12</sup>(h) .....
  - (i) securitisation companies (see Chapter 4 of Part 13),
  - (j) companies in liquidation or administration (see Chapter 5 of Part 13),
  - (k) banks etc in compulsory liquidation (see Chapter 6 of Part 13),
  - (l) co-operative housing associations and self-build societies (see Chapters 7 and 8 of Part 13), and
  - (m) community amateur sports clubs (see Chapter 9 of Part 13).
- (4) Parts 14 to [<sup>F13</sup>21C] contain provisions relating to tax avoidance, in particular with respect to—
- (a) change in company ownership (see Part 14),
  - [<sup>F14</sup>(aa) transfer of deductions (see Part 14A),]
  - [<sup>F15</sup>(ab) carried-forward losses (see Part 14B),]
  - (b) transactions in securities (see Part 15),
  - (c) factoring of income (see Part 16),
  - <sup>F16</sup>(d) .....
  - [<sup>F17</sup>(da) manufactured dividends (see Part 17A),]
  - <sup>F18</sup>(e) .....
  - (f) the sale and lease-back of assets (see Part 19),
  - (g) leasing plant or machinery (see Part 20), <sup>F19</sup>...
  - (h) other arrangements involving asset leasing (see Part 21) <sup>F20</sup>...
  - [<sup>F21</sup>(i) risk transfer schemes (see Part 21A).]
  - [<sup>F22</sup>(j) group mismatch schemes (see Part 21B).][<sup>F23</sup>, and
  - [ tax mismatch schemes (see Part 21BA),]
  - <sup>F24</sup>(ja)
  - (k) tainted donations made to charities (see Part 21C).]
- (5) Part 22 contains miscellaneous provisions, including provision with respect to—
- (a) transfers of trade without a change of ownership (see Chapter 1),
  - (b) transfers of trade to obtain balancing allowances (see Chapter 2),
  - (c) transfer of relief within partnerships (see Chapter 3),
  - (d) the surrender of tax refunds within groups of companies (see Chapter 4),
  - (e) the set off of income tax deductions against corporation tax (see Chapter 5),
  - (f) the assessment, collection and recovery of corporation tax from UK representatives of non-UK resident companies (see Chapter 6),

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- (g) the recovery of unpaid corporation tax due from non-UK resident companies (see Chapter 7), and
  - (h) exemptions (see Chapter 8).
- (6) Part 23 contains provisions about the meaning of “distribution” and certain associated matters.
- (7) Part 24 contains definitions that apply for the purposes of the Corporation Tax Acts and other general provisions that have effect for the purposes of those Acts.
- (8) Part 25 contains provisions of general application, including definitions for the purposes of the Act.
- (9) For abbreviations and defined expressions used in this Act, see section 1174 and Schedule 4.

### Textual Amendments

- F1** Words in s. 1(2) substituted (with effect in accordance with Sch. 1 para. 22 of the amending Act) by [Finance Act 2014 \(c. 26\)](#), **Sch. 1 para. 2(a)**
- F2** S. 1(2)(a) omitted (with effect in accordance with Sch. 1 para. 22 of the amending Act) by virtue of [Finance Act 2014 \(c. 26\)](#), **Sch. 1 para. 2(b)**
- F3** S. 1(2)(fa) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 146(2)**
- F4** Word in s. 1(2)(g) omitted (with effect in accordance with s. 22(6) of the amending Act) by virtue of [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **s. 22(2)(a)**
- F5** S. 1(2)(ga) inserted (with effect in accordance with s. 22(6) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **s. 22(2)(b)**
- F6** S. 1(2A) inserted (with effect in accordance with Sch. 4 para. 190 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 4 para. 146(3)**
- F7** Words in s. 1(3) substituted (with effect in accordance with Sch. 2 paras. 7, 8 of the amending Act) by [Finance Act 2015 \(c. 11\)](#), **Sch. 2 para. 4(a)**
- F8** S. 1(3)(za) inserted (with effect in accordance with Sch. 2 paras. 7, 8 of the amending Act) by [Finance Act 2015 \(c. 11\)](#), **Sch. 2 para. 4(b)**
- F9** S. 1(3)(aa)(ab) inserted (retrospective to 1.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 16 paras. 2, 6**
- F10** S. 1(3)(ac) inserted (with effect in accordance with s. 5 of the amending Act) by [Corporation Tax \(Northern Ireland\) Act 2015 \(c. 21\)](#), **Sch. 2 para. 5**
- F11** S. 1(3)(ad) inserted (18.11.2015) (with effect in accordance with s. 38(9)-(12) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), **s. 38(2)**
- F12** S. 1(3)(h) omitted (6.4.2014) by virtue of [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\)](#), regs. 1(3), **39(2)** (with reg. 32)
- F13** Figure in s. 1(4) substituted (with effect in accordance with Sch. 3 para. 27 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 3 para. 20(a)**
- F14** S. 1(4)(aa) inserted (with effect in accordance with Sch. 14 para. 3 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 14 para. 2(1)**
- F15** S. 1(4)(ab) inserted (with effect and application in accordance with Sch. 3 Pt. 2 of the amending Act) by [Finance Act 2015 \(c. 11\)](#), **Sch. 3 para. 2**
- F16** S. 1(4)(d) omitted (1.1.2014) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 29 paras. 42, 52(a)**
- F17** S. 1(4)(da) inserted (1.1.2014) by [Finance Act 2013 \(c. 29\)](#), **Sch. 29 paras. 42(b), 52**
- F18** S. 1(4)(e) omitted (with effect in accordance with s. 81 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), **s. 77(2)** (and also with effect in accordance with [Finance \(No. 2\) Act 2017 \(c. 32\)](#), s. 39(1)(2))
- F19** Word in s. 1(4)(g) omitted (with effect in accordance with Sch. 16 para. 5 of the amending Act) by virtue of [Finance Act 2010 \(c. 13\)](#), **Sch. 16 para. 2**

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- F20** Word in s. 1(4)(h) omitted (with effect in accordance with Sch. 5 para. 6 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 5 para. 1](#)
- F21** S. 1(4)(i) inserted (with effect in accordance with Sch. 16 para. 5 of the amending Act) by [Finance Act 2010 \(c. 13\)](#), [Sch. 16 para. 2](#)
- F22** S. 1(4)(j) inserted (with effect in accordance with Sch. 5 para. 6 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 5 para. 1](#)
- F23** S. 1(4)(k) and word inserted (with effect in accordance with Sch. 3 para. 27 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 3 para. 20\(b\)](#)
- F24** S. 1(4)(ja) inserted (with effect in accordance with Sch. 20 para. 6(1) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 20 para. 2](#)

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