



Corporation Tax Act 2010

2010 CHAPTER 4

[^{F1}PART 8C

RESTITUTION INTEREST

CHAPTER 4

PAYMENT AND COLLECTION OF TAX ON RESTITUTION INTEREST]

357YP Treatment of amounts deducted under section 357YO

- (1) An amount deducted from an interest payment in accordance with section 357YO(2)
 - [^{F1}(a) is treated for all purposes as paid by the company mentioned in section 357YO(1) on account of the company's liability, or potential liability, to corporation tax charged on the interest payment, as restitution interest, under this Part][^{F2}, and
 - (b) is accordingly to be treated for corporation tax purposes as going towards the discharging of the company's liability to pay, for the accounting period concerned, tax charged under this Part (as calculated under paragraph 2 of the fifth step of paragraph 8(1) of Schedule 18 to FA 1998).]
- (2) Subsections (3) and (4) apply if—
 - (a) the Commissioners [^{F3}for Her Majesty's Revenue and Customs] have, on paying an amount which is not (when the payment is made) restitution interest, made a deduction under section 357YO(2) from the gross payment (see section 357YO(6)), and
 - (b) a company becomes liable to repay the net amount to the Commissioners, or it otherwise becomes clear that the gross amount cannot, or will not, become restitution interest.
- (3) If the condition in subsection (2)(b) is met in circumstances where the company is not liable to repay the net amount to the Commissioners, the Commissioners must—

Changes to legislation: Corporation Tax Act 2010, Section 357YP is up to date with all changes known to be in force on or before 02 August 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) View outstanding changes

- (a) repay to the company the amount treated under subsection (1) as paid by the company, and
 - (b) make any other necessary adjustments;
- and any time limits applying to the making of adjustments are to be ignored.
- (4) If the condition in subsection (2)(b) is met by virtue of a company becoming liable to repay to the Commissioners the amount paid as mentioned in subsection (2)(a)—
- (a) this Part has effect as if the company were liable to repay the gross payment to the Commissioners, and
 - (b) the amount deducted by the Commissioners as mentioned in subsection (2)(a) is to be treated for the purposes of this Part as money repaid by the company in partial satisfaction of its liability to repay the gross amount.
- (5) Subsections (3) and (4) have effect with the appropriate modifications if the condition in subsection (2)(b) is met in relation to part but not the whole of the gross amount mentioned in subsection (2)(a).
- (6) In this section “the net amount”, in relation to a payment made under deduction of tax in accordance with section 357YO(2), means the amount paid after deduction of tax.

Textual Amendments

- F1** Words in s. 357YP(1) renumbered as s. 357YP(1)(a) (with effect in accordance with reg. 2 of the amending S.I.) by [The Corporation Tax Act 2010 \(Part 8C\) \(Amendment\) Regulations 2017 \(S.I. 2017/364\)](#), regs. 1, **12(a)**
- F2** S. 357YP(1)(b) inserted (with effect in accordance with reg. 2 of the amending S.I.) by [The Corporation Tax Act 2010 \(Part 8C\) \(Amendment\) Regulations 2017 \(S.I. 2017/364\)](#), regs. 1, **12(b)**
- F3** Words in s. 357YP(2)(a) inserted (with effect in accordance with reg. 3 of the amending S.I.) by [The Corporation Tax Act 2010 \(Part 8C\) \(Amendment\) Regulations 2017 \(S.I. 2017/364\)](#), regs. 1, **16**

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))