



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

[^{F1}PART 6A

HYBRID AND OTHER MISMATCHES

CHAPTER 10

DUAL TERRITORY DOUBLE DEDUCTION CASES

[^{F1}Application of Chapter

Textual Amendments

- F1** Pt. 6A inserted (with effect in accordance with Sch. 10 paras. 18-21 of the amending Act) by [Finance Act 2016 \(c. 24\), Sch. 10 para. 1](#)

259JA Circumstances in which the Chapter applies

- (1) This Chapter applies if conditions A and B are met.
- (2) Condition A is that a company is a—
 - (a) dual resident company, or
 - (b) relevant multinational company.
- (3) For the purposes of this Chapter a company is a “dual resident company” if—
 - (a) it is UK resident, and
 - (b) it is also within the charge to a tax under the law of a territory outside the United Kingdom because—
 - (i) it derives its status as a company from that law,

Status: Point in time view as at 12/02/2019.

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Cross Heading: Application of Chapter. (See end of Document for details)

- (ii) its place of management is in that territory, or
 - (iii) it is for some other reason treated under that law as resident in that territory for the purposes of that tax.
- (4) For the purposes of this Chapter a company is a “relevant multinational company” if—
 - (a) it is within the charge to a tax, under the law of a territory (“the PE jurisdiction”) in which it is not resident for tax purposes, because it carries on business in that territory through a permanent establishment in that territory, and
 - (b) either—
 - (i) the PE jurisdiction is the United Kingdom, or
 - (ii) the territory in which the company is resident for tax purposes (“the parent jurisdiction”) is the United Kingdom.
- (5) Condition B is that there is an amount (“the dual territory double deduction amount”) that, disregarding this Chapter and any equivalent provision under the law of a territory outside the United Kingdom, it is reasonable to suppose could, by reason of the company being a dual resident company or a relevant multinational company—
 - (a) be deducted from the company's income for an accounting period (“the deduction period”) for corporation tax purposes, and
 - (b) also be deducted from the company's income for a taxable period (“the foreign deduction period”) for the purposes of a tax charged under the law of a territory outside the United Kingdom.
- (6) The following provisions provide for the counteraction of the dual territory double deduction amount—
 - (a) section 259JB (cases where a company is dual resident),
 - (b) section 259JC (cases where a company is a relevant multinational and the United Kingdom is the parent jurisdiction), and
 - (c) section 259JD (cases where a company is a relevant multinational, the United Kingdom is the PE jurisdiction and the amount is not counteracted in the parent jurisdiction).]

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