



# Taxation (International and Other Provisions) Act 2010

## 2010 CHAPTER 8

### PART 7

#### TAX TREATMENT OF FINANCING COSTS AND INCOME

### CHAPTER 7

#### “FINANCING EXPENSE AMOUNT” AND “FINANCING INCOME AMOUNT”

#### **318 Companies engaged in oil extraction activities**

- (1) This section applies if, apart from this section, an amount (“the relevant amount”) is—
  - (a) a financing expense amount of a company because of meeting condition A or condition B in section 313, or
  - (b) a financing income amount of a company because of meeting condition A or condition B in section 314.
- (2) The relevant amount is treated as not being a financing expense amount or a financing income amount of the company if conditions 1 and 2 are met.
- (3) Condition 1 is that the company is treated, in the accounting period in which the amount is brought into account, as carrying on a ring fence trade (see section 277 of CTA 2010).
- (4) Condition 2 is that the amount falls to be brought into account in calculating the profits of that trade for that accounting period.