



# Taxation (International and Other Provisions) Act 2010

## 2010 CHAPTER 8

### [<sup>F1</sup>PART 10]

#### [<sup>F1</sup>CORPORATE INTEREST RESTRICTION]

### [<sup>F1</sup>CHAPTER 1]

#### [<sup>F1</sup>INTRODUCTION]

#### [<sup>F1</sup>373 Meaning of “subject to interest restrictions”, “the total disallowed amount” etc

- (1) A worldwide group is “subject to interest restrictions” in a period of account of the group if—
  - (a) the aggregate net tax-interest expense of the group for the period (see section 390), exceeds
  - (b) the interest capacity of the group for the period (see section 392).
- (2) “The total disallowed amount” of a worldwide group in a period of account of the group is—
  - (a) if the group is subject to interest restrictions in the period, the amount of the excess mentioned in subsection (1);
  - (b) otherwise, nil.
- (3) “The interest reactivation cap” of a worldwide group in a period of account of the group is (subject to subsection (4))—
  - (a) the interest allowance of the group for the period (see section 396), less
  - (b) the aggregate net tax-interest expense of the group for the period.
- (4) If the amount determined under subsection (3) is a negative amount, the interest reactivation cap of the worldwide group in the period is nil.

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**Changes to legislation:** There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 373. (See end of Document for details)

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- (5) A worldwide group is “subject to interest reactivations” in a period of account of the group if—
- (a) the interest reactivation cap of the group in the period is not nil, and
  - (b) at least one member of the group is within the charge to corporation tax at any time during the period, and has an amount available for reactivation in the return period that is not nil (see paragraph 26 of Schedule 7A).
- (6) This section has effect for the purposes of this Part.]

#### Textual Amendments

- F1** Pt. 10: the existing Pt. 10 renumbered as Pt. 11 (except for ss. 375, 376 which are repealed), the existing ss. 372-374, 377-382 renumbered as ss. 499-507 and a new Pt. 10 (ss. 372-498) inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by Finance (No. 2) Act 2017 (c. 32), Sch. 5 para. 1, **10(1)(2)(a)(3)** (with Sch. 5 paras. 27, 32-34)

**Changes to legislation:**

There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 373.