

Status: Point in time view as at 16/11/2017.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, Cross Heading: Miscellaneous. (See end of Document for details)

SCHEDULES

SCHEDULE 47

CONTROLLED FOREIGN COMPANIES

Miscellaneous

- 15 In Part 6 of TIOPA 2010 (tax arbitrage), in section 236 (deduction schemes involving hybrid entities) for subsection (4) substitute—
- “(4) Condition B is not met just because the party's profits or gains are subject to a charge under the law of a territory outside the United Kingdom (by whatever name known) which is similar to the CFC charge (see Part 9A).”
- 16 Part 9A of TIOPA 2010 (controlled foreign companies) is amended as follows.
- ^{F1}17

Textual Amendments

- F1** Sch. 47 para. 17 omitted (with effect in accordance with Sch. 5 para. 25(1)(2) of the amending Act) by virtue of Finance (No. 2) Act 2017 (c. 32), Sch. 5 para. 21(4)

- 18 Chapter 9 (exemptions for profits from qualifying loan relationships) is amended as follows.
- 19 In section 371IB (loans funded out of qualifying resources) after subsection (9) insert—
- “(9A) Subsection (9) does not apply if the debt incurred by the member of the CFC group as mentioned in subsection (8) represents the principal on a loan made to the member to which subsection (9B) or (9D) applies.
- (9B) This subsection applies to a loan if the member repays it within 48 hours of the loan being made.
- (9C) But subsection (9B) does not apply to a loan if the repayment of the loan within the 48 hours occurs under, or is connected (directly or indirectly) with, an arrangement the main purpose, or one of the main purposes, of which is to ensure that subsection (9) does not apply because of—
- (a) the loan, or
- (b) any other debt which a member of the CFC group incurs (or is expected to incur) in the United Kingdom.
- (9D) This subsection applies to a loan if—
- (a) there is an issue of shares which meets the requirements of subsection (7)(c)(i) to (iii),

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- (b) the loan was made before the issue of shares but with the expectation that it would be repaid by the member out of funds deriving (directly or indirectly) from the issue of shares,
 - (c) the loan is repaid by the member out of such funds within the period of 6 months beginning with the day on which the loan was made, and
 - (d) the loan—
 - (i) was made by a person who was not a member of the CFC group, and
 - (ii) was not made (wholly or partly nor directly or indirectly) out of funds or other assets provided by a member of the CFC group.”
- 20 (1) Section 371IE (matched interest) is amended as follows.
- (2) In subsection (1)(d)(ii) after “include” insert “ some or all of”.
- (3) After subsection (7) insert—
- “(7A) In subsection (6) the reference to the leftover profits is to those profits so far as they would be included in the relevant finance profits (see section 314A(1)(d)).”

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