

FINANCE ACT 2014

EXPLANATORY NOTES

INTRODUCTION

Section 298: Co-Operative Societies Etc and Schedule 39: Taxation of Cooperative Societies Etc.

Details of the Schedule

2. Paragraph 1 of the Schedule adds Northern Ireland Credit Unions to the list of bodies in S217D (3) Taxation of Chargeable Gains Act (TCGA) 1992 which can take advantage of no gain/no loss rules on the union, amalgamation or transfer of engagements from one body to another.
3. Paragraphs 2 to 14 amend consequential amendments made by Schedule 4 of the Co-operative and Community Benefit Societies Act 2014.
4. Paragraph 6 and 7 reverse a narrowing of the definition of companies which can take advantage of S170 and Schedule 7AC TCGA 1992. They also clarify where the definition of the societies to which those sections can apply is to be found.
5. The remaining paragraphs correct various errors which have over time been incorporated into the definitions of societies to which other tax provisions apply.
6. Paragraph 13 adds Northern Ireland Credit Unions to the definition in S1119 Corporation Tax Act 2010 (CTA 2010).
7. Paragraphs 8, 10 and 12 add European Co-operative Societies (SCE) to the definitions in Schedule 2, Paragraph 28 Income Tax (Earnings and Pensions) Act 2003, S151 Income Tax Act 2007 (ITA 2007) and S90 CTA 2010.
8. Paragraphs 9 and 11 add both Northern Ireland Credit Unions and SCE to the definitions in S379 Income Tax (Trading and Other Income) Act 2005 and S887 ITA 2007.
9. Paragraphs 3 to 5 and 14 ensure that the provisions in S140E, S140F, and S140G TCGA 1992 and in S118 Taxation (International and Other Provisions Act 2010 can apply to SCE formed both in GB and Northern Ireland.