



Finance Act 1959

1959 CHAPTER 58

PART III

INCOME TAX

27 Overseas Trade Corporations: avoidance of disqualification by holding companies

- (1) Where a principal company not itself carrying on trade but having a subsidiary company resident in the United Kingdom satisfies the Commissioners of Inland Revenue that for any period for which the status of the principal company falls to be determined under section thirty of the Finance Act, 1957, the principal company failed apart from this section to qualify as an Overseas Trade Corporation by reason only that, in consequence of some act done by the subsidiary company of which the principal company had no previous knowledge and from which it obtained no material advantage, the principal company was excluded by the proviso to subsection (1) of section twenty-three of that Act (holding companies excluded if having subsidiaries resident in the United Kingdom which are not Overseas Trade Corporations), then if the Commissioners of Inland Revenue in their discretion so direct the act shall not prevent the principal company being treated as an Overseas Trade Corporation for that period.
- (2) The powers conferred on the Commissioners of Inland Revenue by the foregoing subsection are in addition to, and not in derogation from, the powers conferred by subsection (2) of the said section thirty (under which the Commissioners may direct to be disregarded disqualifying acts done by the company whose status is in question and disqualifying events over which that company had no control).
- (3) This section shall be construed as one with Part IV of the Finance Act, 1957; and subsection (4) of the said section thirty (which relates to appeals) shall apply in relation to the refusal of a direction under this section as it applies in relation to the refusal of a direction under subsection (2) of the said section thirty.