

## SCHEDULES

### SCHEDULE 33

Section 65

#### LONG FUNDING LEASES OF FILMS

- 1 In ICTA, after section 502GC insert—
- “502GD Cases where ss 502B to 502G do not apply: films**
- (1) If a company is or has been a lessor under a long funding lease of a film, sections 502B to 502G do not apply in respect of the lease.
- (2) “Film” has the same meaning as in Part 15 of CTA 2009 (see section 1181 of that Act).”
- 2 In ITTOIA 2005, after section 148FC insert—
- “148FD Cases where ss 148A to 148F do not apply: films**
- (1) If a person is or has been a lessor under a long funding lease of a film, sections 148A to 148F do not apply in respect of the lease.
- (2) “Film” has the same meaning as in Part 15 of CTA 2009 (see section 1181 of that Act).”
- 3 The amendments made by paragraphs 1 and 2 have effect where the inception of the long funding lease is on or after 13 November 2008 (“the relevant date”).
- 4 Paragraphs 5 to 8 apply in respect of a long funding finance lease of a film—
- (a) whose inception is before the relevant date, and
- (b) which has not terminated before that date.
- 5 (1) Section 502B of ICTA or section 148A of ITTOIA 2005 (rental earnings) does not apply to a period of account within sub-paragraph (2).
- (2) A period of account is within this sub-paragraph if—
- (a) it begins on or after the relevant date, and
- (b) no rentals due (wholly or partly) in respect of any part of the period of account were due under the lease before the relevant date.
- 6 (1) For the purpose of calculating the profits of the lessor under the lease for a period of account—
- (a) that ends on or after the relevant date, and
- (b) that is not within paragraph 5(2),
- treat the lessor as receiving for that period of account income attributable to the lease of an amount equal to the relevant amount (in addition to any amount brought into account under section 502B(2) of ICTA or section 148A(2) of ITTOIA 2005).
- (2) The “relevant amount” is an amount equal to so much of the rentals as—
- (a) become due on or after the relevant date, and

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*Status: This is the original version (as it was originally enacted).*

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(b) are due wholly or partly in respect of the period of account, as would not reasonably be regarded as reflected in the rental earnings for that period of account.

(3) If any rental is paid for a period (“the rental period”) which—

- (a) begins before the relevant date, or
- (b) is not wholly within the period of account,

for the purposes of sub-paragraph (2) treat the amount of that rental as equal to the amount apportioned (on a time basis) in respect of so much of the rental period as falls on or after the relevant date and within the period of account.

7 Section 502C of ICTA or section 148B of ITTOIA 2005 (exceptional items) does not apply in relation to any profit or loss arising on or after the relevant date.

8 (1) If section 502D of ICTA or section 148C of ITTOIA 2005 (lessor making termination payment) applies in respect of the termination of the lease on or after the relevant date, a deduction is allowed (in calculating the profits of the lessor) in respect of any sum calculated by reference to the termination value paid to the lessee.

(2) The amount of the deduction is (if it would otherwise exceed that amount) limited to the total amount brought into account in respect of the lease by virtue of paragraph 5 or 6.

9 For the purposes of paragraphs 3 to 8—

- (a) “film” has the same meaning as in Part 15 of CTA 2009 (see section 1181 of that Act),
- (b) “rental earnings” has the same meaning as in section 502B of ICTA or section 148A of ITTOIA 2005, and
- (c) Chapter 6A of Part 2 of CAA 2001 (interpretation of provisions about long funding leases) applies.