
Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Paragraph 12. (See end of Document for details)

SCHEDULES

SCHEDULE 9

INTEREST

PART 1

CORPORATION TAX

New Schedule

12 After Schedule 54 to FA 2009 insert—

“SCHEDULE 54A

Section 103A

FURTHER PROVISION AS TO LATE PAYMENT INTEREST AND REPAYMENT INTEREST

Certain amounts of repayment interest recoverable as late payment interest

- 1 Where each of conditions A to D (see paragraph 2) is met, an amount of repayment interest that—
 - (a) has been paid to a company, but
 - (b) ought not to have been paid (see condition D),may be recovered from the company as if it were late payment interest.
- 2 (1) This paragraph applies for the purposes of paragraph 1.
(2) Condition A is that repayment interest has been paid to the company on—
 - (a) a repayment of corporation tax paid by the company for an accounting period,
 - (b) a payment of first-year tax credit under Schedule A1 to CAA 2001 for an accounting period,
 - (c) a payment of R&D tax credit under Chapter 2 or 7 of Part 13 of CTA 2009 for an accounting period,
 - (d) a payment of land remediation tax credit or life assurance company tax credit under Part 14 of CTA 2009 for an accounting period, or
 - (e) a payment of film tax credit under Chapter 3 of Part 15 of CTA 2009 for an accounting period.
- (3) Condition B, in a case falling within sub-paragraph (2)(a), is that (whether or not any previous assessment or determination has been made)—
 - (a) an assessment, or an amendment of an assessment, of the amount of corporation tax payable by the company for the accounting period is made, or

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Paragraph 12. (See end of Document for details)

- (b) a determination of that amount is made under paragraph 36 or 37 of Schedule 18 to FA 1998 (which until superseded by a self-assessment under that Schedule has effect as if it were one).
- (4) Condition B, in a case falling within sub-paragraph (2)(b) to (e), is that an assessment, or an amendment of an assessment, is made to recover an amount of the tax credit in question paid to the company for that accounting period.
- (5) Condition C is that the change (as a result of condition B being met) in—
 - (a) the company's assessed liability to corporation tax, or
 - (b) the amount of tax credit payable,
 is not one which in whole or in part corrects an error made by HMRC.
- (6) In sub-paragraph (5) “error” includes—
 - (a) any computational error, and
 - (b) the allowance of a claim or election which ought not to have been allowed.
- (7) Condition D is that as a result only of that change (and, in particular, not as a result of any error in the calculation of the interest), it appears to HMRC that some or all of the repayment interest ought not to have been paid.

Common period rule for corporation tax

- 3 (1) This paragraph applies where—
 - (a) there is a common period in relation to a company (see sub-paragraph (2)), and
 - (b) each of conditions A to C (see paragraph 4) is met.
- (2) A common period in relation to a company is any period during which—
 - (a) an amount of corporation tax is due and payable by the company in accordance with section 59D of TMA 1970 or regulations made under section 59E of that Act (“the overdue payment”), and
 - (b) an amount which has been paid on account of corporation tax is repayable to the company (“the repayment”).
- (3) During the common period—
 - (a) the overdue payment does not carry late payment interest or interest under regulations made by virtue of section 59E(2)(g) of TMA 1970 (interest payable to HMRC on amounts of corporation tax due and payable under regulations under that section), and
 - (b) the repayment does not carry repayment interest or interest under regulations made by virtue of section 59E(2)(i) of TMA 1970 (interest payable by HMRC on amounts paid or repaid under regulations under that section).
- 4 (1) This paragraph applies for the purposes of paragraph 3.
- (2) Condition A is that the overdue payment and the repayment are in respect of different accounting periods.
- (3) Condition B is that the overdue payment would (apart from paragraph 3) carry—

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Paragraph 12. (See end of Document for details)

- (a) late payment interest, or
 - (b) interest under regulations made by virtue of section 59E(2)(g) of TMA 1970.
- (4) Condition C is that the repayment would (apart from paragraph 3) carry—
- (a) repayment interest, or
 - (b) interest under regulations made by virtue of section 59E(2)(i) of TMA 1970.”

Commencement Information

II Sch. 9 para. 12 in force at 1.1.2023 for specified purposes by S.I. 2022/1277, reg. 2(2)(d) (with reg. 3)

Changes to legislation:

There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Paragraph 12.