
Status: This version of this cross heading contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Cross Heading: Amendments of Schedule 53. (See end of Document for details)

SCHEDULES

SCHEDULE 9

INTEREST

PART 1

CORPORATION TAX

PROSPECTIVE

Amendments of Schedule 53

- 6 Schedule 53 to FA 2009 (late payment interest) is amended as follows.
- 7 In Part 1 (special provision as to amount carrying late payment interest), after paragraph 2 insert—

“Carry back of losses etc

- 2A (1) This paragraph applies where—
- (a) a company has profits arising in an accounting period (“the earlier period”),
 - (b) there is for a later accounting period (“the later period”) a non-trading deficit on the company's loan relationships,
 - (c) as a result of a claim under section 389(1) or 459(1)(b) of CTA 2009, the whole or part of the deficit for the later period is set off against the profits of the earlier period, and
 - (d) if the claim had not been made, there would be an amount or an additional amount of corporation tax for the earlier period which would carry late payment interest.
- (2) For the purposes of section 101, the amount mentioned in sub-paragraph (1) (d) is to be taken to be an amount that is due and payable as corporation tax for the earlier period.
- (3) But late payment interest which is payable by virtue of sub-paragraph (2) runs only until the day following the expiry of 9 months from the end of the later period.
- 2B (1) This paragraph applies where—
- (a) a company has profits arising in an accounting period (“the earlier period”),
 - (b) the company incurs a loss in a later accounting period (“the later period”),

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- (c) on a claim under section 37 of CTA 2010, the whole or any part of the loss incurred in the later period has been set off (whether under section 37 or 42 of that Act) for the purposes of corporation tax against the profits of the earlier period,
 - (d) the earlier period does not fall wholly within the period of 12 months immediately preceding the later period, and
 - (e) if the claim had not been made, there would be an amount or additional amount of corporation tax for the earlier period which would carry late payment interest.
- (2) For the purposes of section 101, the amount mentioned in sub-paragraph (1) (e) is to be taken to be an amount that is due and payable as corporation tax for the earlier period.
- (3) But late payment interest which is payable by virtue of sub-paragraph (2) runs only until the day following the expiry of 9 months from the end of the later period.
- 2C (1) This paragraph applies where—
- (a) a company is liable to corporation tax for an accounting period (“the earlier period”),
 - (b) in a later accounting period of the company (“the later period”), an excess arises as described in section 72 of TIOPA 2010 (amounts of unrelieved foreign tax),
 - (c) on a claim under section 77 of that Act, credit for the whole or any part of the excess is allowed against corporation tax in respect of the earlier period, and
 - (d) if the claim had not been made, there would be an amount or additional amount of corporation tax for the earlier period which would carry late payment interest.
- (2) For the purposes of section 101, the amount mentioned in sub-paragraph (1) (d) is to be taken to be an amount that is due and payable as corporation tax for the earlier period.
- (3) But late payment interest which is payable by virtue of sub-paragraph (2) runs only until the day following the expiry of 9 months from the end of the later period.
- (4) This paragraph does not apply where paragraph 2D applies.
- 2D (1) This paragraph applies where—
- (a) a company carrying on a trade has profits (of whatever description) arising in an accounting period (“the middle period”),
 - (b) the company incurs a loss in a later accounting period (“the later period”),
 - (c) on a claim under section 37 of CTA 2010, the whole or any part of the loss incurred in the later period has been set off (whether under section 37 or 42 of that Act) for the purposes of corporation tax against the profits of the middle period,
 - (d) the middle period does not fall wholly within the period of 12 months immediately preceding the later period,

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- (e) as a result of the claim under section 37, an excess or increased excess arises in the middle period as described in section 72 of TIOPA 2010 (amounts of unrelieved foreign tax),
- (f) on a claim under section 77 of that Act, credit for the whole or any part of the excess is allowed against corporation tax in respect of an accounting period before the middle period (“the earlier period”), and
- (g) if the claim had not been made, there would be an amount or additional amount of corporation tax for the earlier period which would carry late payment interest.

(2) For the purposes of section 101, the amount mentioned in sub-paragraph (1) (g) is to be taken to be an amount that is due and payable as corporation tax for the earlier period.

(3) But late payment interest which is payable by virtue of sub-paragraph (2) runs only until the day following the expiry of 9 months from the end of the later period.”

8 In Part 2 (special provision as to late payment interest start date), after paragraph 6 insert—

“Payment of corporation tax by persons other than company assessed

6A (1) This paragraph applies to any amount of corporation tax assessed or treated as assessed by virtue of any of the following provisions (which enable unpaid corporation tax assessed on a company to be assessed on other persons in certain circumstances)—

- (a) section 137(4), 139(7) or 190 of TCGA 1992,
- (b) paragraph 75A(2) of Schedule 18 to FA 1998,
- (c) section 795(2) of CTA 2009, and
- (d) Chapter 7 of Part 22 of CTA 2010.

(2) The late payment interest start date in respect of that amount is the date when it became due and payable by the company.”

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