

TAXATION (INTERNATIONAL AND OTHER PROVISIONS) ACT 2010

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Schedule 8: Minor and consequential amendments

Part 12: Amendments for purposes connected with other tax law rewrite Acts

Section 59(3) of ICTA: Persons chargeable: markets, fairs, fisheries, tolls etc

1433. Section 59(3) of ICTA has been repealed and not rewritten as it is unnecessary. See *Change 15* in Annex 1.

Greater London Authority Act 1999

1434. This Part of this Schedule amends paragraph 7 of Schedule 33 to the Greater London Authority Act 1999 by replacing references to Case I of Schedule D with references to Part 3 of CTA 2009. Schedule D, which was set out in section 18 of ICTA, was repealed and rewritten for corporation tax purposes by CTA 2009. Paragraph 7 could have been, but was not, amended consequentially by CTA 2009. These references to provisions of Schedule D have in the meantime been translated, by paragraph 5 of Schedule 2 to CTA 2009, so as to be references to the corresponding provisions of CTA 2009.
1435. The amendments substitute references to Part 3 of CTA 2009 even though that Part applies to all trades and Case I of Schedule D did not apply to wholly-foreign trades. Wholly foreign trades were taxed under Case V of Schedule D, but profits of such trades were calculated in accordance with Case I principles. As the references to Case I of Schedule D that are contained in paragraph 7 are about what is to be deducted or brought into account in calculating profits, there is nothing to suggest that paragraph 7 is intended to produce anything but the same result in the somewhat unlikely event of the trade concerned being wholly foreign.

Section 48B(6) to (8) of FA 2005: Alternative finance arrangements: alternative finance investment bond: effects

1436. Section 48B(6) to (8) of FA 2005 were rewritten for corporation tax purposes by section 519 of CTA 2009. It has subsequently been realised that they do not need to be rewritten for income tax and, accordingly, they are repealed by this Act.

Paragraph 75 of Schedule 2 to CTA 2009: Investment bond arrangements entered into before 1 April 2007

1437. Sections 48A and 48B of FA 2005 apply for corporation tax purposes to alternative finance investment bond arrangements entered into on or after 1 April 2007 and apply for income tax purposes to alternative finance investment bond arrangements entered into on or after 6 April 2007; and apply to alternative finance return paid on or after those

*These notes refer to the Taxation (International and Other Provisions)
Act 2010 (c.8) which received Royal Assent on 18 March 2010*

dates in respect of existing arrangements. If, however, an arrangement is disposed of after 6 April 2007, the alternative finance rules are treated as having applied throughout the life of the arrangement for the purposes of income tax and capital gains tax in relation to the disposal.

1438. This additional provision would normally have no effect on the alternative finance provisions rewritten for corporation tax in Chapter 6 of Part 6 of CTA 2009. However, section 48B(7) of FA 2005, rewritten in section 519(2) of CTA 2009, affects the close company rules, which in turn could affect an individual's tax position. Section 519(2) of CTA 2009 does not need to be repeated for income tax or capital gains tax, but the special commencement rule in section 53(14)(a) of FA 2007 does need to be applied to it.