



Finance Act 2012

2012 CHAPTER 14

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 5

MISCELLANEOUS

Other provisions

53 Site restoration payments

- (1) In section 168 of ITTOIA 2005 (site restoration payments), at the beginning of subsection (2) insert “Subject to subsection (3A),”.
- (2) For subsection (3) of that section substitute—
 - “(3) The deduction is allowed—
 - (a) (if the payment is made, whether directly or indirectly, to a connected person) for the period of account in which that part of the restoration work to which the payment relates is completed, or
 - (b) (in any other case) for the period of account in which the payment is made.
 - (3A) But no deduction is allowed if the payment arises from arrangements—
 - (a) to which the person carrying on the trade is a party, and
 - (b) the main purpose, or one of the main purposes, of which is to obtain a deduction under this section.”
- (3) At the end of that section insert—
 - “(7) Arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).”

Status: This is the original version (as it was originally enacted).

- (4) In section 145 of CTA 2009 (site restoration payments), at the beginning of subsection (2) insert “Subject to subsection (3A),”.
- (5) For subsection (3) of that section substitute—
- “(3) The deduction is allowed—
- (a) (if the payment is made, whether directly or indirectly, to a connected person) for the period of account in which that part of the restoration work to which the payment relates is completed, or
- (b) (in any other case) for the period of account in which the payment is made.
- (3A) But no deduction is allowed if the payment arises from arrangements—
- (a) to which the company carrying on the trade is a party, and
- (b) the main purpose, or one of the main purposes, of which is to obtain a deduction under this section.”
- (6) At the end of that section insert—
- “(7) Arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).”
- (7) The amendments made by this section have effect in relation to any site restoration payment made on or after 21 March 2012, other than a payment made pursuant to an unconditional obligation in a contract made before 21 March 2012.
- (8) An unconditional obligation is an obligation which may not be varied or extinguished by the exercise of a right (whether or not under the contract).

54 Changes of accounting policy

- (1) In section 227 of ITTOIA 2005 (adjustment on change of accounting basis: income tax)—
- (a) in subsection (3)(a) for “relevant change of accounting approach” substitute “change of accounting policy”, and
- (b) for subsection (4) substitute—
- “(4) A “change of accounting policy” includes, in particular—
- (a) a change from using UK generally accepted accounting practice to using generally accepted accounting practice with respect to accounts prepared in accordance with international accounting standards, and
- (b) a change from using generally accepted accounting practice with respect to accounts prepared in accordance with international accounting standards to using UK generally accepted accounting practice.”
- (2) In section 180 of CTA 2009 (adjustment on change of accounting basis: corporation tax)—
- (a) in subsection (3)(a) for “relevant change of accounting approach” substitute “change of accounting policy”, and
- (b) for subsection (4) substitute—
- “(4) A “change of accounting policy” includes, in particular—

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

- (a) a change from using UK generally accepted accounting practice to using generally accepted accounting practice with respect to accounts prepared in accordance with international accounting standards, and
 - (b) a change from using generally accepted accounting practice with respect to accounts prepared in accordance with international accounting standards to using UK generally accepted accounting practice.”
- (3) Corresponding amendments are to be treated as having been made in section 64 of FA 2002.
- (4) In consequence of the amendment made by subsection (1)(b), omit paragraph 2 of Schedule 6 to F(No.2)A 2005.
- (5) The amendments made by this section have effect in relation to a change of basis if the new basis—
 - (a) is adopted for a period of account which begins on or after 1 January 2012, or
 - (b) is adopted for a period of account which begins before 1 January 2012 and the adoption is in consequence of the issue, revocation, amendment or recognition of, or withdrawal of recognition from, an accounting standard by an accounting body on or after 1 January 2012.
- (6) In this section—
 - “accounting body” means the International Accounting Standards Board, the Accounting Standards Board, or a successor body to either of those Boards;
 - “accounting standard” includes any statement of practice, guidance or other similar document.