

SCHEDULES

SCHEDULE 20

CONTROLLED FOREIGN COMPANIES AND FOREIGN PERMANENT ESTABLISHMENTS

PART 3

OTHER AMENDMENTS

TIOPA 2010

45 After section 314 insert—

“314A The financing income amounts of a chargeable company under Part 9A

- (1) This section applies if—
- (a) a sum is charged on a company at step 5 in section 371BC(1) (controlled foreign companies: charging the CFC charge),
 - (b) the relevant corporation tax accounting period (as defined in section 371BC(3)) is a relevant accounting period of the company in relation to a period of account of the worldwide group,
 - (c) the CFC’s accounting period in relation to which the sum is charged ends in the period of account of the worldwide group, and
 - (d) the CFC’s chargeable profits mentioned in paragraph (a) at step 5 in section 371BC(1) include amounts (“the relevant finance profits”) which fall only within Chapter 5 or 6 of Part 9A or which are qualifying loan relationship profits within the meaning of Chapter 9 of Part 9A.
- (2) An amount equal to P% of the relevant finance profits is to be taken to be a financing income amount of the company for the period of account of the worldwide group.
- (3) “P%” has the meaning given by section 371BC(3), subject to sections 371BG(3)(a) and 371BH(3)(b).
- (4) In subsection (1)(d) the reference to amounts which fall within Chapter 5 or 6 of Part 9A or which are qualifying loan relationship profits is limited to amounts—
- (a) which so fall or which are such profits by virtue of section 297 or 299 of CTA 2009 (but not, in the case of section 299, as applied by section 574 of that Act), and
 - (b) which are not excluded credits (as defined in section 314(3) above).”