

## SCHEDULES

### SCHEDULE 20

#### CONTROLLED FOREIGN COMPANIES AND FOREIGN PERMANENT ESTABLISHMENTS

##### PART 5

###### TRANSITIONAL PROVISION

###### *First accounting periods*

- 56 (1) This paragraph applies in relation to a CFC the first accounting period of which is determined in accordance with paragraph 49(2) or 50(4) above.
- (2) For the purposes of sections 371SD(6), 371SK(3) and 371SM(3) of TIOPA 2010, assume that the CFC became a CFC at the time mentioned in paragraph 49(2) or 50(4) (as the case may be).

###### *Elections under section 9A of CTA 2010*

- 57 (1) This paragraph applies if—
- (a) during a company's accounting period within the meaning of Chapter 4 of Part 17 of ICTA a notice is given in relation to the company under paragraph 4(2C) of Schedule 24 to ICTA,
  - (b) as a result of that, the company is to be assumed under paragraph 4(2C) of Schedule 24 to ICTA to have made an election under section 9A of CTA 2010,
  - (c) the assumed election—
    - (i) does not cease to have effect before the end of the company's last accounting period within the meaning of Chapter 4 of Part 17 of ICTA to begin before 1 January 2013, and
    - (ii) apart from the repeal of that Chapter by paragraph 14 above, would not have ceased to have effect at the end of that period, and
  - (d) the company is a CFC immediately after the end of its last accounting period mentioned in paragraph (c) and its first accounting period within the meaning of Part 9A of TIOPA 2010 begins at that time accordingly.
- (2) In the application of Part 9A of TIOPA 2010 in relation to the company as a CFC, the assumption mentioned in sub-paragraph (1)(b) is to continue to be made as if it were required to be made by section 371SH(2) of TIOPA 2010.

###### *Exempt periods*

- 58 (1) This paragraph applies if—

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*Status: This is the original version (as it was originally enacted).*

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- (a) there is an exempt period in relation to a company under Part 3A of Schedule 25 to ICTA (cases in which section 747(3) of ICTA does not apply) which begins before 1 January 2013,
  - (b) the exempt period—
    - (i) does not end before the end of the company’s last accounting period within the meaning of Chapter 4 of Part 17 of ICTA to begin before 1 January 2013, and
    - (ii) apart from the repeal of that Chapter by paragraph 14 above, would not have ended at the end of that period, and
  - (c) the company is a CFC immediately after the end of its last accounting period mentioned in paragraph (b) and its first accounting period within the meaning of Part 9A of TIOPA 2010 begins at that time accordingly.
- (2) The remainder of the exempt period is to be treated as an exempt period of the company for the purposes of Chapter 10 of Part 9A of TIOPA 2010.
  - (3) The remainder of the exempt period is to be determined in accordance with paragraph 15F of Schedule 25 to ICTA and, for this purpose, assume that Chapter 4 of Part 17 of ICTA continues to apply in relation to the company as if that Chapter had not been repealed by paragraph 14 above; and section 371JD of TIOPA 2010 is to be ignored accordingly.
  - (4) Section 371JB of TIOPA 2010 applies in relation to the exempt period as if subsection (1)(b) and (c) were omitted.
  - (5) Section 371JE of TIOPA 2010 applies in relation to the exempt period as if subsection (1)(b) were omitted.
  - (6) Section 371JF of TIOPA 2010 does not affect the application of the exempt period exemption or section 371JE of TIOPA 2010 by virtue of this paragraph.

*Designer rate tax provisions*

- 59 (1) The Controlled Foreign Companies (Designer Rate Tax Provisions) Regulations 2000 (S.I. 2000/3158) are to have effect for the purposes of section 371ND of TIOPA 2010 as if they had been made by the HMRC Commissioners under that section.
- (2) The power of the HMRC Commissioners to make regulations under that section includes power to revoke or amend the 2000 Regulations for the purposes of that section.