

SCHEDULES

SCHEDULE 5

TAX TREATMENT OF FINANCING COSTS AND INCOME

14 After section 331 insert—

“331ZA Elections disapplying sections 329(5) and 330(5)

- (1) The relevant reporting body of the worldwide group may elect that sections 329(5) and 330(5) are not to apply in relation to the group.
- (2) The election must specify—
 - (a) the first period of account of the worldwide group in relation to which it has effect, and
 - (b) the name and tax reference of—
 - (i) each company that is a UK group company at the time the election is made, and
 - (ii) any other company that was a UK group company at any time during the period beginning at the same time as that period of account and ending when the election is made.
- (3) An election has effect for the specified period of account and subsequent periods of account of the worldwide group (unless withdrawn under subsection (4) or replaced by a further election made in relation to the group).
- (4) The relevant reporting body of the worldwide group may withdraw an election with effect from the beginning of the period of account specified in the withdrawal.
- (5) “The relevant reporting body” means—
 - (a) if an appointment under section 288 has effect in relation to the specified period of account, the company appointed under that section, and
 - (b) if such an appointment does not have effect, the companies which are UK group companies at the relevant time, acting jointly.

But the companies within paragraph (b) do not include any company that is a dormant company throughout the specified period of account.
- (6) An election or withdrawal must—
 - (a) be made by notice in writing to an officer of Revenue and Customs, and
 - (b) be received by HMRC within 12 months of the end of the specified period of account.
- (7) The notice must be signed—
 - (a) in a case within paragraph (a) of subsection (5), by the appropriate person in relation to the company appointed under section 288, and

Status: This is the original version (as it was originally enacted).

- (b) in a case within paragraph (b) of that subsection, by the appropriate person in relation to each company within that paragraph.
- (8) For the purposes of this section—
- “the appropriate person”, in relation to a company, means—
- (a) the proper officer of the company, or
 - (b) such other person as may for the time being have the express, implied or apparent authority of the company to act on its behalf for the purposes of this Part,
- and subsections (3) and (4) of section 108 of TMA 1970 (responsibility of company officers: meaning of “proper officer”) apply as they apply for the purposes of that section;
- “relevant time” means—
- (a) in the case of an election, the time the election is made, and
 - (b) in the case of a withdrawal of an election, the time the withdrawal is made;
- “specified period of account” means—
- (a) in the case of an election, the period specified under subsection (2)(a), and
 - (b) in the case of a withdrawal of an election, the period specified under subsection (4).”