
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2022, Paragraph 6. (See end of Document for details)

SCHEDULES

SCHEDULE 10

PUBLIC INTEREST BUSINESS PROTECTION TAX

PART 2

JOINT AND SEVERAL LIABILITY

Qualifying interests in company, partnership or unincorporated association

- 6 (1) A person (“the qualifying person”) had a qualifying interest in a company, partnership or unincorporated association liable to tax (“the taxed entity”) during the disqualifying period if at any point during the period—
- (a) the qualifying person was beneficially entitled to a proportion of the profits available for distribution to equity holders of the taxed entity, or
 - (b) the qualifying person was beneficially entitled to a proportion of the assets of the taxed entity for distribution to its equity holders on a winding up,
- and the qualifying interest of the person is, for the purposes of paragraph 5(2)(b) and (5)(b), to be treated as the greatest of the proportions that applied at any point during the period.
- (2) Chapter 6 of Part 5 of CTA 2010 applies for the purposes of determining the proportions of profits or assets of the taxed entity that the qualifying person is beneficially entitled to as it applies for the purposes of determining the proportions of profits or assets of a company that another company is beneficially entitled to (see, in particular, sections 165 and 166 of that Act).
- (3) That Chapter has effect for the purposes of sub-paragraph (1) as if—
- (a) in sections 170(3) and 172(3) (shares or securities with limited or temporary rights), for “less than” there were substituted “more than”,
 - (b) in section 174 (option arrangements)—
 - (i) in subsection (1), in Step 4, for “lowest proportion” there were substituted “highest proportion”, and
 - (ii) in subsection (2), for “less than” there were substituted “more than”,
 - (c) in sections 175(3), 176(3), 177(3) and 178(3) (cases in which more than one of sections 170, 172, and 174 apply), for “lowest proportion” there were substituted “highest proportion”, and
 - (d) sections 179 to 182 were omitted.
- (4) That Chapter is to be read, for those purposes, with all modifications necessary to ensure that—
- (a) it applies to a company which does not have share capital or to a partnership or unincorporated association, and to holders of corresponding ordinary holdings in such a company, partnership or unincorporated association, in a

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- way which corresponds to the way they apply to companies with ordinary share capital and holders of ordinary shares in such companies,
- (b) it applies in relation to ownership through any trust or other arrangement, in a way which corresponds to the way it applies to ownership through a company, and
 - (c) for the purposes of achieving paragraphs (a) and (b), profits or assets are attributed to holders of corresponding ordinary holdings in partnerships, unincorporated associations, trusts or other arrangements in a manner which corresponds to the way profits or assets are attributed to holders of ordinary shares in a company which is a body corporate.
- (5) In this paragraph “corresponding ordinary holding” means a holding or interest which provides the holder with economic rights corresponding to those provided by a holding of ordinary shares.

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