
Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Part 14. (See end of Document for details)

SCHEDULES

SCHEDULE 7

MISCELLANEOUS RELOCATIONS

PART 14

RELOCATION OF SECTION 36 OF FA 1998 AND SECTION 111 OF FA 2009

Taxes Management Act 1970 (c. 9)

- 78 TMA 1970 is amended as follows.
79 In Part 5A (payment of tax) after section 59E insert—

“59F Arrangements for paying tax on behalf of group members

- (1) An officer of Revenue and Customs may enter into arrangements for the specified purpose with some or all of the members of a group.
- (2) For the purposes of subsection (1), arrangements entered into with some or all of the members of a group are for “the specified purpose” if they are arrangements for one of those members to discharge any liability of each of those members to pay corporation tax for the accounting periods to which the arrangements relate.
- (3) For the purposes of this section, a company and all its 51% subsidiaries form a group and, if any of those subsidiaries has 51% subsidiaries, the group includes them and their 51% subsidiaries, and so on.
- (4) Arrangements entered into under subsection (1)—
 - (a) may make provision in relation to cases where companies become or cease to be members of a group,
 - (b) may make provision in relation to the discharge of liability to pay interest or penalties,
 - (c) may make provision in relation to the discharge of liability to pay any amount within subsection (6),
 - (d) may make provision for or in connection with the termination of the arrangements, and
 - (e) may make such supplementary, incidental, consequential or transitional provision as is necessary for the purposes of the arrangements.
- (5) Arrangements entered into under subsection (1)—
 - (a) do not affect the liability to corporation tax, or to pay corporation tax, of any company to which the arrangements relate, and

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(b) do not affect any other liability under the Tax Acts of any company to which the arrangements relate.

(6) The following amounts are within this subsection—

- (a) an amount due from a company under section 455 of CTA 2010 (charge to tax in case of loan to participator in close company) as if it were an amount of corporation tax chargeable on the company, and
- (b) a sum chargeable on a company under section 747(4)(a) of the principal Act (controlled foreign companies) as if it were an amount of corporation tax.”

80 In Part 5A after section 59F insert—

“59G Managed payment plans

(1) This section applies if a person (“P”) has entered into a managed payment plan in respect of—

- (a) an amount on account of income tax which is to become payable in accordance with section 59A(2),
- (b) an amount of income tax or capital gains tax which is to become payable in accordance with section 59B, or
- (c) an amount of corporation tax which is to become payable in accordance with section 59D.

(2) P enters into a managed payment plan in respect of an amount if—

- (a) P agrees to pay, and an officer of Revenue and Customs agrees to accept payment of, the amount by way of instalments,
- (b) the instalments to be paid before the due date are balanced by the instalments to be paid after it (see section 59H), and
- (c) the agreement meets such other requirements as may be specified in regulations made by the Commissioners for Her Majesty’s Revenue and Customs.

(3) But this section does not apply, in the case of an amount of corporation tax, if an arrangement under section 59F has been made in relation to the amount.

(4) If P pays all of the instalments in accordance with the plan, P is to be treated as having paid, on the due date, the total of those instalments.

(5) If P—

- (a) pays one or more instalments in accordance with the plan, but
- (b) fails to pay one or more later instalments in accordance with it,

P is to be treated as having paid, on the due date, the total of the instalments paid before the failure (but this is subject to subsection (6)).

(6) If—

- (a) subsection (5) applies in a case in which the first failure to pay an instalment occurs before the due date, and
- (b) P would (in the absence of a managed payment plan) be entitled to be paid interest on any amount paid before that date,

then, despite that subsection, P is entitled to be paid that interest.

(7) If—

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- (a) subsection (5) applies,
- (b) P makes one or more payments after the due date (whether or not in accordance with the plan), and
- (c) an officer of Revenue and Customs gives P a notice specifying any or all of those payments,

P is not liable to a penalty or surcharge for failing to pay the amount of the specified payments on or before the due date.

- (8) Regulations under this section may make different provision for different cases.
- (9) In this section “the due date”, in relation to an amount mentioned in subsection (1), means the date on which it becomes payable.

59H Balancing of instalments for the purposes of section 59G

- (1) Subsection (2) applies for the purposes of section 59G(2)(b).
- (2) The instalments to be paid before the due date are balanced by those to be paid after it if the time value of the instalments to be paid before that date is equal, or approximately equal, to the time value of the instalments to be paid after it.
- (3) The time value of the instalments to be paid before the due date is the total of the time value of each of the instalments to be paid before that date (and the time value of the instalments to be paid after that date is to be read accordingly).

- (4) The time value of an instalment is—

$$A \times T$$

where—

A is the amount of the instalment, and

T is the number of days before, or after, the due date that the instalment is to be paid.

- (5) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision for the purpose of determining when an amount is approximately equal to another amount.
- (6) Regulations under this section may make different provision for different cases.”

Finance Act 1998 (c. 36)

81 FA 1998 is amended as follows.

82 Omit section 36 (arrangements with respect to payment of corporation tax).

Finance Act 2009 (c. 10)

83 FA 2009 is amended as follows.

84 Omit section 111 (managed payment plans).

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