



# Finance Act 2003

## 2003 CHAPTER 14

### PART 7

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX: GENERAL

#### *Taxation of non-resident companies and related matters*

#### **F<sup>1</sup>148** Meaning of “permanent establishment”

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#### **Textual Amendments**

**F1** S. 148 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 410, **Sch. 3 Pt. 1** (with Sch. 2)

#### **149** Non-resident companies: basis of charge to corporation tax

**F2**(1) .....

**F2**(2) .....

**F2**(3) .....

(4) After section 10A of the Taxation of Chargeable Gains Act 1992 (c. 12) insert—

#### **“10B Non-resident company with United Kingdom permanent establishment**

(1) Subject to any exceptions provided by this Act, the chargeable profits for the purposes of corporation tax of a company not resident in the United Kingdom but carrying on a trade in the United Kingdom through a permanent

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establishment there include chargeable gains accruing to the company on the disposal of—

- (a) assets situated in the United Kingdom and used in or for the purposes of the trade at or before the time the gain accrued, or
- (b) assets situated in the United Kingdom and used or held for the purposes of the permanent establishment at or before the time the gain accrued or acquired for use by or for the purposes of the permanent establishment.

(2) Subsection (1) does not apply unless the disposal is made at a time when the company is carrying on a trade in the United Kingdom through a permanent establishment there.

(3) This section does not apply to a company that, by virtue of Part 18 of the Taxes Act (double taxation relief arrangements), is exempt from corporation tax for the chargeable period in respect of the profits of the permanent establishment.

(4) In this section “trade” has the meaning given by section 6(4)(b) of the Taxes Act.”.

<sup>F3</sup>(5) .....

(6) This section has effect in relation to accounting periods (of the non-resident company) beginning on or after 1st January 2003, and regulations under section 11AA(5) of the Taxes Act 1988 (inserted by subsection (2) above) may be made so as to have effect from that date.

**Textual Amendments**

**F2** S. 149(1)-(3) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

**F3** S. 149(5) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

<sup>F4</sup>**150 Non-resident companies: assessment, collection and recovery of corporation tax**

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**Textual Amendments**

**F4** S. 150 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 411](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))

<sup>F5</sup>**151 Non-resident companies: extent of charge to income tax**

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**Textual Amendments**

**F5** S. 151 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 452](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))

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**F6 152 Non-resident companies: transactions carried out through broker, investment manager or Lloyd’s agent**

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**Textual Amendments**

**F6** S. 152 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 412, [Sch. 3 Pt. 1](#) (with Sch. 2)

**153 General replacement of references to branch or agency of company**

- (1) In the following provisions (which relate only to companies) for “branch or agency” or “branches or agencies”, wherever occurring, substitute “ permanent establishment ” or “ permanent establishments ”.

The provisions are—

- (a) in the Taxes Act 1988, sections <sup>F7</sup> ..., <sup>F8</sup> ... <sup>F9</sup> ... 442(1), <sup>F10</sup> ... <sup>F11</sup> ..., 748A(1) (c) and (2), <sup>F12</sup> ...; in Schedule 15, paragraphs 17(3)(c) and 25(2)(c); <sup>F13</sup> ... in Schedule 24, paragraphs 1 and 8; and in Schedule 25, paragraphs 6(2A) and (2C), 8 and 11(3);
- (b) in the Taxation of Chargeable Gains Act 1992 (c. 12), sections 140(1), 140C(1)(a), 173(3)(b), 175(1A)(b), 185(4) and 213(5A);
- <sup>F14</sup>(c) .....
- (d) in the Capital Allowances Act 2001 (c. 2), sections 560(2) and 561(1)(c);
- <sup>F15</sup>(e) .....

- (2) In the following provisions (which relate to companies and other persons), any reference to a branch or agency shall be read, in relation to a company, as a reference to a permanent establishment.

The provisions are—

- (a) in the Taxes Act 1988, sections <sup>F16</sup> ... <sup>F17</sup> ... 806K(1) <sup>F18</sup> ... <sup>F19</sup> ... <sup>F20</sup> ...;
- (b) in the Taxation of Chargeable Gains Act 1992, sections 25(2), (3) and (5), 80(4)(a) and (b) and (7)(b), 199(2) and (4) and 276(7);
- (c) in the Finance Act 1999 (c. 16), section 85(2)(a);
- <sup>F21</sup>(d) .....

- (3) Any reference to a branch or agency—

- (a) in subordinate legislation made under an enactment contained in the Tax Acts or relating to chargeable gains, or
- (b) that is to be construed as having the same meaning as in any such enactment, shall be read, in relation to a company, as a reference to a permanent establishment.  
“Subordinate legislation” here has the same meaning as in the Interpretation Act 1978 (c. 30).

- (4) This section has effect in relation to accounting periods beginning on or after 1st January 2003.

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### Textual Amendments

- F7** Word in s. 153(1)(a) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))
- F8** Words in s. 153(1)(a) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F9** Words in s. 153(1)(a) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F10** Words in s. 153(1)(a) repealed (with effect in accordance with s. 26(3) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), **s. 26(2)(c)**
- F11** Word in s. 153(1)(a) repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), **Sch. 3** (with [Sch. 2](#))
- F12** Words in s. 153(1)(a) repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 10 Pt. 1** (with [Sch. 9 paras. 1-9, 22](#))
- F13** Words in s. 153(1)(a) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), **Sch. 27 Pt. 2(7)**
- F14** S. 153(1)(c) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), **Sch. 27 Pt. 2(11)**
- F15** S. 153(1)(e) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))
- F16** Word in s. 153(2)(a) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3** (with [Sch. 36](#))
- F17** Words in s. 153(2)(a) repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 10 Pt. 1** (with [Sch. 9 paras. 1-9, 22](#))
- F18** Words in s. 153(2)(a) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), **Sch. 1 Pt. 10** Group 1
- F19** Words in s. 153(2)(a) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))
- F20** Words in s. 153(2)(a) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F21** S. 153(2)(d) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

## <sup>F22</sup>154 Double taxation relief: profits attributable to overseas permanent establishment

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### Textual Amendments

- F22** S. 154 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 10 Pt. 1** (with [Sch. 9 paras. 1-9, 22](#))

## 155 Consequential amendments

- (1) Schedule 27 to this Act provides for amendments consequential on the provisions of sections 148 to 153.
- (2) The amendments made by that Schedule have effect in relation to accounting periods beginning on or after 1st January 2003.

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**F23 156 Overseas life insurance companies**

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**Textual Amendments**

**F23** S. 156 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 109

**Changes to legislation:**

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**Changes and effects yet to be applied to :**

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 57(3) inserted by [2011 c. 11 Sch. 22 para. 4](#)
- s. 87(3)(a)(ia) inserted by [S.I. 2003/2760 Sch. para. 3\(4\)\(a\)](#) (This amendment not applied to [legislation.gov.uk](#). The affecting S.I. is revoked and superseded by [S.I. 2003/2816](#))
- Sch. 12 para. 3(2)(aa) inserted by [2007 asp 3 Sch. 5 para. 32](#) (This effect was superseded by the repeal of Sch. 12 para. 3 by Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 16)
- Sch. 12 para. 1A inserted by [2007 c. 15 Sch. 13 para. 147\(2\)](#) (The amending provision was repealed before coming into force.)
- Sch. 12 para. 1A omitted by [2008 c. 9 Sch. 43 para. 9](#) (The amending provision was repealed before coming into force.)