



Finance Act 2003

2003 CHAPTER 14

PART 9

MISCELLANEOUS AND SUPPLEMENTARY PROVISIONS

International matters

201 Application of CFC provisions to Hong Kong and Macao companies

- (1) In Part 2 (exempt activities) of Schedule 25 to the Taxes Act 1988 (cases where section 747(3) does not apply), in paragraph 5 insert after sub-paragraph (2)—
- “ (3) In the case of a controlled foreign company—
- (a) which is, by virtue of section 749(5), presumed to be resident in a territory in which it is subject to a lower level of taxation,
 - (b) the business affairs of which are, throughout the accounting period in question, effectively managed in a special administrative region, and
 - (c) which is liable to tax for that period in that region,
- references in the following provisions of this Part of this Schedule to the territory in which that company is resident shall be construed as references to that region.
- (4) In sub-paragraph (3) above “special administrative region” means the Hong Kong or the Macao Special Administrative Region of the People’s Republic of China.
- (5) Where sub-paragraph (3) above applies, it applies in place of sub-paragraph (2).”
- (2) This section shall be deemed to have had effect—
- (a) as from 1st July 1997, so far as relating to the Hong Kong Special Administrative Region;

Status: This is the original version (as it was originally enacted).

- (b) as from 20th December 1999, so far as relating to the Macao Special Administrative Region.