SCHEDULES

SCHEDULE 1 U.K.

Section 27

GROUP RELIEF WHERE SURRENDERING COMPANY NOT RESIDENT IN UK

[F1]PART 1 U.K.

AMENDMENTS OF CHAPTER 4 OF PART 10 OF ICTA

Textual Amendments

F1 Sch. 1 Pt. 1 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

Availability of relief

1 . . . . . .

Limits on group relief

2 . . . . . .

Relief for or in respect of non-resident companies within the charge to corporation tax

3 . . . . . .

Relief in respect of overseas losses of non-resident companies

4 . . . . . .

Interpretation of Chapter 4 of Part 10 of ICTA

5 . . . . . .

Group relief: equity holders and profits or assets available for distribution

6 . . . . . .

Meaning of conditions in section 403F etc

7 . . . . . .

Changes to legislation: *There are currently no known outstanding effects for the Finance Act 2006, SCHEDULE 1. (See end of Document for details)*

PART 2 U.K.

AMENDMENTS OF OTHER ENACTMENTS

Claims for group relief

8 After paragraph 77 of Schedule 18 to FA 1998 (joint amended returns) insert—

"Claims in respect of overseas losses of non-resident companies

77A (1) This paragraph applies if a claim for group relief is made in respect of any loss or other amount as a result of the condition in section 402(2A) of the Taxes Act 1988 being satisfied (relief in respect of overseas losses of non-resident companies).

(2) In relation to the surrendering company, this Part of this Schedule applies as if—

(a) references to the relief being surrendered were to the EEA amount and to the relief being claimed, and

(b) references to its accounting period were to its deemed accounting period under Part 2 of Schedule 18A to the Taxes Act 1988.

(3) Notice of consent of the surrendering company—

(a) is to be given to the officer of the Board under paragraph 70(3)(b) by the claimant company (and not by the surrendering company), and

(b) is to be given to the officer to whom the claimant company makes its company tax returns.

(4) If the surrendering company is not within the charge to income or corporation tax, the requirement under paragraph 71(1)(e) for notice of consent by the surrendering company to contain details of its tax district reference is not to apply.

(5) If notice of consent is withdrawn under paragraph 71, the notice of the withdrawal is to be given to the officer of the Board by the claimant company (and not by the surrendering company).

(6) If notice of consent is withdrawn under paragraph 75—

(a) the notice of withdrawal, and any copy of any new notice of consent, is to be sent to an officer of Revenue and Customs by the claimant company (and not by the surrendering company), and

(b) any notice containing directions by an officer of Revenue and Customs under sub-paragraph (4) of that paragraph is to be given to the claimant company (and not to the surrendering company).

(7) The remaining provisions of that paragraph, and the rest of this Part of this Schedule, are, accordingly, to be read with the appropriate modifications (so that, in particular, it is the claimant company (and not the surrendering company) which can bring an appeal under paragraph 75(7)).

(8) A notice under paragraph 27 (notice to produce documents etc for purposes of an enquiry) given to the claimant company may require the claimant company—

(a) to explain why the EEA amount meets the conditions mentioned in subsection (2)(a) to (d) of section 403F of the Taxes Act 1988 and is not prevented from being surrendered by section 403G of that Act, and

(b) to provide details of the recalculation required under Part 2 of Schedule 18A to that Act in relation to the EEA amount.

(9) Except where expressly indicated, requirements imposed under this paragraph are in addition to those imposed apart from this paragraph.

(10) In this paragraph "the EEA amount" has the same meaning as in Part 2 of Schedule 18A to the Taxes Act 1988.".

PART 3 U.K.

COMMENCEMENT

Commencement

9 (1) The amendments made by this Schedule, other than those made by paragraphs 4(2) and 5, have effect—

(a) in relation to any accounting period of a claimant company beginning on or after 1st April 2006, and

(b) in relation to any period ("the loss period") beginning on or after 1st April 2006 in which any loss or other amount arises to a non-resident company.

(2) If an accounting period (a "straddling period") of a claimant company begins before 1st April 2006 and ends on or after that date—

(a) so much of the straddling period as falls before 1st April 2006, and

(b) so much of the straddling period as falls on or after that date,

are to be treated as separate accounting periods for the purposes of the amendments made by this Schedule other than those made by paragraphs 4(2) and 5.

(3) The amount of the claimant company's profits for the straddling period is to be attributed, on an apportionment in accordance with this paragraph, to those separate accounting periods.

(4) If the loss period of the non-resident company begins before 1st April 2006 and ends on or after that date—

(a) so much of the loss period as falls before 1st April 2006, and

(b) so much of the loss period as falls on or after that date,

are to be treated as separate periods for the purposes of the amendments made by this Schedule other than those made by paragraphs 4(2) and 5.

(5) The amount of the loss or other amount of the non-resident company for the loss period is to be attributed, on an apportionment in accordance with this paragraph, to those separate periods.

(6) Any apportionment under this paragraph is to be made on a just and reasonable basis.

Changes to legislation:
There are currently no known outstanding effects for the Finance Act 2006, SCHEDULE 1.