



Corporation Tax Act 2010

2010 CHAPTER 4

[^{F1}PART 8B

TRADING PROFITS TAXABLE AT THE NORTHERN IRELAND RATE

CHAPTER 4

BASIC DEFINITIONS]

[^{F1}Meaning of “disqualified close company”

Textual Amendments

F1 S. 357KEA and cross-heading inserted (16.11.2017) by Finance (No. 2) Act 2017 (c. 32), Sch. 7 para. 5

357KEA“Disqualified close company”

- (1) A company is a “disqualified close company” in relation to a period if—
 - (a) the company is a close company, or would be a close company if it were UK resident, at any time in the period, and
 - (b) conditions A and B are met.
- (2) Condition A is that the company has a NIRE in the period as a result of tax-avoidance arrangements.
- (3) Condition B is that—
 - (a) 50% or more of the working time that is spent in the United Kingdom during the period by members of the company's workforce is working time spent by participators in the company otherwise than in Northern Ireland, or
 - (b) 50% or more of the company's workforce expenses that are attributable to working time spent in the United Kingdom during the period by members

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Meaning of “disqualified close company”. (See end of Document for details)

of the company's workforce are attributable to working time spent by participators in the company otherwise than in Northern Ireland.

- (4) For the purposes of this section “tax avoidance arrangements” means arrangements the sole or main purpose of which is to secure that any profits or losses of the company for the period are Northern Ireland profits or losses.
- (5) In subsection (4) “arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).
- (6) The following provisions apply for the purposes of this section as they apply for the purposes of section 357KE (Northern Ireland workforce conditions)—
 - (a) subsections (2) to (5) and (7A) to (7E) of that section;
 - (b) regulations made under that section.
- (7) In its application by virtue of subsection (6), subsection (5) of section 357KE has effect as if the reference in it to subsection (1)(b) of that section were to subsection (3) (b) of this section.]

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