



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 11

#### CHARITABLE COMPANIES ETC

#### CHAPTER 1

#### INTRODUCTION

#### **466 Overview of Part**

- (1) This Part makes provision about some gifts and payments made to charitable companies, including provision applying the charge to corporation tax on income and conferring exemptions (see sections 471 to 474).
- (2) This Part also provides for some of the income of charitable companies and others to be exempt from corporation tax (see sections 475 to 477 and Chapter 3).
- (3) In the case of a charitable company which has a non-exempt amount for an accounting period (see section 493), the exemptions under this Part are subject to restrictions (see section 492).
- (4) The non-exempt amount for an accounting period depends on the charitable company's attributable income and gains for the period and its non-charitable expenditure for the period (see sections 493 and 496 to 517).
- (5) See also Schedule 19 to FA 2008, which contains provision for transitional payments to charitable companies and certain other bodies in respect of gifts made in the tax years 2008-09 to 2010-11.

#### **<sup>F1</sup>467 Meaning of “charitable company”**

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*Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 1. (See end of Document for details)*

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### Textual Amendments

- F1** S. 467 omitted (with effect in accordance with art. 21 of the commencing S.I.) by virtue of [Finance Act 2010 \(c. 13\)](#), [Sch. 6 paras. 27\(4\), 34\(2\)](#); S.I. 2012/736, art. 21

## 468 Meaning of “eligible body”

Each of the following is an eligible body for the purposes of this Part—

- (a) the Trustees of the National Heritage Memorial Fund,
- (b) the Historic Buildings and Monuments Commission for England,
- (c) the Trustees of the British Museum, [<sup>F2</sup>and]
- (d) the Trustees of the Natural History Museum, <sup>F3</sup>...
- <sup>F3</sup>(e) .....

### Textual Amendments

- F2** Word in s. 468 inserted (1.4.2012) by [The Public Bodies \(Abolition of the National Endowment for Science, Technology and the Arts\) Order 2012 \(S.I. 2012/964\)](#), arts. 1(2), 3(1), [Sch.](#)
- F3** S. 468(e) and word omitted (1.4.2012) by virtue of [The Public Bodies \(Abolition of the National Endowment for Science, Technology and the Arts\) Order 2012 \(S.I. 2012/964\)](#), arts. 1(2), 3(1), [Sch.](#)

## 469 Conditions for qualifying as a scientific research association

- (1) For the purposes of this Part a body qualifies as a scientific research association for an accounting period if—
  - (a) it is an association (see subsection (5)(a)), and
  - (b) it meets conditions A and B with respect to the accounting period.
- (2) Condition A is that the body has as its object the undertaking of research and development which may lead to or facilitate an extension of any class or classes of trade.
- (3) Condition B is that the memorandum of association or other similar instrument regulating the body's functions precludes the direct or indirect payment or transfer to any of its members of any of its income or property by way of dividend, gift, division, bonus or otherwise by way of profit.
- (4) For the purposes of compliance with condition B it is not necessary that the memorandum of association or other similar instrument regulating the body's functions should prevent the payment to its members of—
  - (a) reasonable remuneration for goods, labour or power supplied, or for services provided,
  - (b) reasonable interest for money lent, or
  - (c) reasonable rent for premises.
- (5) The Treasury may by regulations—
  - (a) make provision specifying what is to be treated as being, or as not being, an association for the purposes of subsection (1)(a), or
  - (b) prescribe circumstances in which a body is to be treated as not meeting condition A or B with respect to an accounting period.

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*Changes to legislation:* There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 1. (See end of Document for details)

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- (6) The Treasury may by regulations make provision specifying for the purposes of condition A—
- (a) circumstances in which a body is to be treated as having, or as not having, the undertaking of research and development as its object,
  - (b) circumstances in which the undertaking of research and development is to be treated as being, or as not being, capable of leading to or facilitating an extension of a class of trade, or
  - (c) what is to be treated as being, or as not being, a class of trade.

#### **470 Meaning of “research and development” in section 469**

- (1) Section 1138 (meaning of “research and development”) applies for the purposes of section 469(2).
- (2) Regulations under section 1006(3) of ITA 2007 (power to prescribe activities which are, or are not, research and development), as that section applies by virtue of section 1138(3), may make provision for the purposes of section 469(2) which is additional to, or different from, the provision made for other purposes under section 1006(3).

**Changes to legislation:**

There are currently no known outstanding effects for the Corporation Tax Act 2010, Chapter 1.