

Status: Point in time view as at 16/11/2017.

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, PART 1. (See end of Document for details)

SCHEDULES

[^{F1}SCHEDULE 7A

INTEREST RESTRICTION RETURNS

Textual Amendments

- F1** Sch. 7A inserted (with effect in accordance with Sch. 5 para. 25(1)(2) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 5 para. 2](#) (with [Sch. 5 para. 28](#))

PART 1

THE REPORTING COMPANY

Appointment by a worldwide group of a reporting company

- 1 (1) A member of a worldwide group may, by notice to an officer of Revenue and Customs, appoint an eligible company to be the group's reporting company.
- (2) The notice must specify the first period of account of the group (“the specified period of account”) in relation to which the appointment is to have effect.
- (3) An appointment under this paragraph has effect in relation to—
- (a) the specified period of account, and
 - (b) subsequent periods of account of the group.
- (4) The notice is of no effect unless—
- (a) it is given during the period of six months beginning with the end of the specified period of account,
 - (b) it is authorised by at least 50% of eligible companies, and
 - (c) it is accompanied by a statement containing the required information.
- (5) For this purpose “the required information” means—
- (a) a list of the eligible companies that have authorised the notice, and
 - (b) a statement that the listed companies constitute at least 50% of eligible companies.
- (6) The notice may be accompanied by a statement that such of the companies listed under sub-paragraph (5)(a) as are specified in the statement do not wish to be consenting companies in relation to returns submitted by the reporting company.
- For provision as to the effect of a statement under this subparagraph, see paragraph 11.
- (7) For the purposes of this paragraph a company is “eligible” if and only if the company —

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- (a) was a UK group company at a time during the specified period of account, and
- (b) was not dormant throughout that period.

Revocation by worldwide group of appointment under paragraph 1

- 2
- (1) A member of a worldwide group may, by notice to an officer of Revenue and Customs, revoke an appointment previously made under paragraph 1.
 - (2) The notice must specify the first period of account of the group (“the specified period of account”) in relation to which the appointment is to be revoked.
 - (3) An appointment that is revoked under this paragraph ceases to have effect in relation to—
 - (a) the specified period of account, and
 - (b) subsequent periods of account of the group.
 - (4) The notice is of no effect unless—
 - (a) it is given during the period of six months beginning with the end of the specified period of account,
 - (b) it is authorised by at least 50% of eligible companies, and
 - (c) it is accompanied by a statement containing the required information.
 - (5) For this purpose “the required information” means—
 - (a) a list of the eligible companies that have authorised the notice, and
 - (b) a statement that the listed companies constitute at least 50% of eligible companies.
 - (6) The revocation of an appointment does not prevent the making of a further appointment under paragraph 1 (whether at the same time as the revocation, or later).
 - (7) For the purposes of this paragraph a company is “eligible” if and only if the company —
 - (a) was a UK group company at a time during the specified period of account, and
 - (b) was not dormant throughout that period.

Regulations supplementing paragraphs 1 and 2

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- The Commissioners may by regulations make further provision about an appointment under paragraph 1 or the revocation of such an appointment under paragraph 2, including in particular provision—
- (a) about the form and manner in which an appointment or revocation may be made;
 - (b) requiring a person to give information to an officer of Revenue and Customs in connection with the making of an appointment or revocation;
 - (c) prohibiting a company from being appointed unless it meets conditions specified in the regulations;
 - (d) about the time from which an appointment or revocation has effect;
 - (e) providing that an appointment or revocation is of no effect, or (in the case of an appointment) ceases to have effect, if a requirement under the regulations is not met.

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Appointment of reporting company by Revenue and Customs

- 4 (1) This paragraph applies where—
- (a) no appointment of a reporting company under paragraph 1 has effect in relation to a period of account of a worldwide group (“the relevant period of account”), and
 - (b) as a result of sub-paragraph (4)(a) of that paragraph, an appointment of a reporting company under that paragraph that has effect in relation to the relevant period of account is no longer possible.
- (2) An officer of Revenue and Customs may, by notice to an eligible company, appoint it to be the group's reporting company.
- (3) The notice must specify the relevant period of account (whether by specifying the dates on which it begins and ends or, if the officer does not have that information, by reference to a date or dates).
- (4) The appointment has effect in relation to the relevant period of account.
- (5) The appointment may be made—
- (a) at any time before the end of the period of 36 months beginning with the end of the relevant period of account, or
 - (b) at any time after the end of that period if, at that time, an amount stated in the company tax return of a UK group company for a relevant accounting period can be altered.
- (6) Paragraph 88(3) to (5) of Schedule 18 to FA 1998 (meaning of “can no longer be altered”) applies for the purposes of this paragraph.
- (7) For the purposes of this paragraph a company is “eligible” if and only if the company—
- (a) was a UK group company at a time during the relevant period of account, and
 - (b) was not dormant throughout that period.

Appointment by officer of Revenue and Customs of replacement reporting company

- 5 (1) This paragraph applies where—
- (a) an appointment of a reporting company under paragraph 1 or 4 or this paragraph has effect in relation to a period of account of a worldwide group (“the relevant period of account”), and
 - (b) condition A or B is met.
- (2) Condition A is that an officer of Revenue and Customs considers that the reporting company mentioned in sub-paragraph (1)(a) has not complied with, or will not comply with, a requirement under or by virtue of this Schedule.
- (3) Condition B is that the reporting company mentioned in sub-paragraph (1)(a) has agreed that an officer of Revenue of Customs may exercise the power in this paragraph.
- (4) An officer of Revenue and Customs may, by notice—
- (a) revoke the appointment of the reporting company mentioned in sub-paragraph (1)(a), and
 - (b) appoint in its place an eligible company to be the reporting company of the group.

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- (5) The notice must—
- (a) be given to each of the companies mentioned in sub-paragraph (4), and
 - (b) specify the relevant period of account (whether by specifying the dates on which it begins and ends or, if the officer does not have that information, by reference to a date or dates).
- (6) Where the power in sub-paragraph (4) is exercised—
- (a) the appointment that is revoked ceases to have effect in relation to—
 - (i) the relevant period of account, and
 - (ii) subsequent periods of account of the group;
 - (b) the appointment of the replacement has effect in relation to the relevant period of account.
- (7) For the purposes of this paragraph a company is “eligible” if and only if the company —
- (a) was a UK group company at a time during the relevant period of account, and
 - (b) was not dormant throughout that period.

Obligation of reporting company to notify group members of its status

- 6 (1) This paragraph applies where the appointment of a reporting company has effect in relation to a period of account of a worldwide group (“the relevant period of account”).
- (2) The reporting company must, as soon as reasonably practicable after the relevant time, notify each relevant company that it is the group's reporting company in relation to the relevant period of account.
- (3) In sub-paragraph (2) “the relevant time” means—
- (a) if the relevant period of account is the first period of account in relation to which the appointment has effect, the time of the appointment;
 - (b) otherwise, the end of the period of 6 months beginning with the end of the relevant period of account.
- (4) Sub-paragraph (2) does not require the reporting company to notify a relevant company if the reporting company notified that company under that sub-paragraph in relation to an earlier period of account.
- (5) The duty to comply with sub-paragraph (2) is enforceable by the company required to be notified under that sub-paragraph.
- (6) For the purposes of this paragraph a company is “relevant” if and only if the company meets condition A or B.
- (7) Condition A is that the company—
- (a) was a UK group company at a time during the relevant period of account, and
 - (b) was not dormant throughout that period.
- (8) Condition B is that the company is the ultimate parent of the worldwide group.

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Obligation of reporting company to submit interest restriction return

- 7
- (1) This paragraph applies where the appointment of a reporting company has effect in relation to a period of account of a worldwide group.
 - (2) If the reporting company was appointed under paragraph 1 or 4, it must submit a return for the period of account to an officer of Revenue and Customs.
 - (3) If the reporting company was appointed under paragraph 5, it must submit a return for the period of account to an officer of Revenue and Customs unless a return for the period has already been submitted under sub-paragraph (2) or this sub-paragraph.
 - (4) A return submitted under this paragraph must be received by an officer of Revenue and Customs before the filing date in relation to the period of account.
 - (5) In this Part of this Act “the filing date”, in relation to a period of account of a worldwide group, means—
 - (a) the end of the period of 12 months beginning with the end of the period of account, or
 - (b) if later, the end of the period of 3 months beginning with the day on which the appointment of a reporting company that has effect in relation to the period was made.
 - (6) A return submitted under this paragraph is of no effect unless it is received by an officer of Revenue and Customs before—
 - (a) the end of the period of 36 months beginning with the end of the period of account, or
 - (b) if later, the end of the period of 3 months beginning with the day on which the reporting company was appointed.

This is subject to paragraph 57.

Revised interest restriction return

- 8
- (1) This paragraph applies where—
 - (a) the appointment of a reporting company has effect in relation to a period of account of a worldwide group, and
 - (b) a return (“the previous interest restriction return”) was submitted under paragraph 7, or this paragraph, for the period of account.
 - (2) The reporting company may submit a revised interest restriction return for the period of account to an officer of Revenue and Customs.
 - (3) A revised interest restriction return submitted under sub-paragraph (2) is of no effect unless it is received by an officer of Revenue and Customs before—
 - (a) the end of the period of 36 months beginning with the end of the period of account, or
 - (b) if later, the end of the period of 3 months beginning with the day on which the reporting company was appointed.

This is subject to paragraphs 9 and 57.

- (4) Where—
 - (a) a member of the group amends, or is treated as amending, its company tax return, and

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- (b) as a result of the amendment any of the figures contained in the previous interest restriction return have become incorrect,
the reporting company must submit a revised interest restriction return to an officer of Revenue and Customs.
- (5) A revised interest restriction return submitted under sub-paragraph (4) must be received by an officer of Revenue and Customs before the end of the period of 3 months beginning with—
- (a) the day on which the amended company tax return was received by an officer of Revenue and Customs, or
 - (b) (as the case may be) the day as from which the company tax return was treated as amended.
- (6) A return submitted under this paragraph—
- (a) must indicate the respects in which it differs from the previous return, and
 - (b) supersedes the previous return.

Extended period for submission of full return in place of abbreviated return

- 9 (1) This paragraph applies where—
- (a) a reporting company has submitted an abbreviated interest restriction return for a period of account of a worldwide group in accordance with this Schedule, and
 - (b) the worldwide group is not subject to interest restrictions in the return period.
- (2) Despite the passing of the time limit in paragraph 8(3), a full interest restriction return for the period of account submitted under paragraph 8 has effect if it is received before the end of the period of 60 months beginning with the end of the period of account.

Meaning of “consenting company” and “non-consenting company”

- 10 (1) This paragraph makes provision for the purposes of this Part of this Act about whether a company is a “consenting company” in relation to an interest restriction return submitted by a reporting company.
- (2) The company is a “consenting company” in relation to the return if, before the return is submitted—
- (a) it has notified the appropriate persons that it wishes to be a consenting company in relation to interest restriction returns submitted by the reporting company, and
 - (b) it has not notified the appropriate persons that it no longer wishes to be a consenting company in relation to such returns.
- (3) In sub-paragraph (2) “the appropriate persons” means—
- (a) an officer of Revenue and Customs, and
 - (b) the reporting company in relation to the period of account.
- (4) The company is a “non-consenting company”, in relation to the return, if it is not a consenting company in relation to the return.

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Company authorising reporting company appointment treated as consenting company

- 11 (1) This paragraph applies where a company—
- (a) is listed in a statement under sub-paragraph (4)(c) of paragraph 1 (list of companies authorising appointment of reporting company), and
 - (b) is not included in a statement under sub-paragraph (6) of that paragraph (companies authorising appointment of reporting company but not wishing to be consenting companies).
- (2) The company is treated as having given, at the time of the appointment, a notice under paragraph 10(2)(a) in relation to interest restriction returns submitted by the reporting company.
- (3) Sub-paragraph (2) does not prevent the company, at any time after the appointment, from giving a notice under paragraph 10(2)(b) in relation to interest restriction returns submitted by the reporting company.]

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