

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Cross Heading: “Amount available for reactivation” of company in period of account of group. (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 2

CONTENTS OF INTEREST RESTRICTION RETURN

“Amount available for reactivation” of company in period of account of group

- 26 (1) This paragraph applies for the purposes of this Part of this Act.
- (2) The “amount available for reactivation” of a company in a period of account of a worldwide group (“the relevant worldwide group”) is—
- (a) the amount determined under sub-paragraph (3), or
 - (b) if lower, the company's interest reactivation cap (see sub-paragraph (5)).
- (3) The amount referred to in sub-paragraph (2)(a) is—

$$A + B - C + D - E$$

where—

A is the total of the disallowed tax-interest expense amounts (if any) that are brought forward to the specified accounting period from earlier accounting periods;

B is the total of the tax-interest expense amounts (if any) that the company is required to leave out of account in the specified accounting period as a result of the operation of this Part of this Act in relation to a period of account of the worldwide group before the period of account;

C is the total of the disallowed tax-interest expense amounts (if any) that the company is required to bring into account in the specified accounting period as a result of the operation of this Part of this Act in relation to a period of account of the worldwide group before the period of account;

D is the total of the tax-interest expense amounts (if any) that the company is required to leave out of account in the specified accounting period as a result of the operation of this Part of this Act in relation to a period of account of a worldwide group of which the company was a member before it became a member of the relevant worldwide group;

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E is the total of the disallowed tax-interest expense amounts (if any) that the company is required to bring into account in the specified accounting period as a result of the operation of this Part of this Act in relation to a period of account of a worldwide group of which the company was a member before it became a member of the relevant worldwide group.

- (4) In sub-paragraph (3) “the specified accounting period” means—
- (a) the earliest relevant accounting period of the company, or
 - (b) where the company became a member of the relevant worldwide group during the period of account, the earliest relevant accounting period of the company in which it was a member of the group.
- (5) For the purposes of sub-paragraph (2)(b) “the interest reactivation cap” of the company is—

$$A \times B$$

where—

A is the interest reactivation cap of the worldwide group in the period of account;

B is the proportion of the period of account in which the company is a UK group company.]

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