

*Changes to legislation:* There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, PART 5. (See end of Document for details)

## SCHEDULES

### [<sup>F1</sup>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 5

#### DETERMINATIONS BY OFFICERS OF REVENUE AND CUSTOMS

##### *Power of Revenue and Customs to make determinations where no return filed etc*

- 56 (1) This paragraph applies where—
- (a) an officer of Revenue and Customs considers that a worldwide group was subject to interest restrictions in a period of account of the group (“the relevant period of account”),
  - (b) [<sup>F2</sup>the filing date in relation to the relevant period of account has passed (see paragraph 7(5)),] and
  - (c) condition <sup>F3</sup>... B [<sup>F4</sup>, C or D] is met.

<sup>F5</sup>(2) .....

<sup>F6</sup>(3) .....

- (4) Condition B is that—

- (a) the appointment of a reporting company has effect in relation to the relevant period of account, and
- (b) no interest restriction return has been submitted for the period.

- (5) Condition C is that—

- (a) the appointment of a reporting company has effect in relation to the relevant period of account,
- (b) an interest restriction return has been submitted for the period, and
- (c) the return does not comply with the requirements of paragraph 20(3) (for example by including inaccurate figures).

- [ Condition D is that—

- <sup>F7</sup>(5A) (a) the appointment of a reporting company has effect in relation to the relevant period of account,

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- (b) the reporting company is required to submit a revised interest restriction return for the period under paragraph 8(4), and
  - (c) the time limit in paragraph 8(5) for the submission of the revised return has passed without the revised return being received by an officer of Revenue and Customs.]
- (6) An officer of Revenue and Customs may determine, to the best of the officer's information and belief—
- (a) a company's pro-rata share of the total disallowed amount of the group for the relevant period of account, and
  - (b) in relation to each relevant accounting period of the company, the accounting period's pro-rata share of the total disallowed amount.
- (7) If, as a result of the determination, an accounting period's pro-rata share of the total disallowed amount is not nil, the company must leave out of account tax-interest expense amounts in that period that, in total, equal that pro-rata share.
- (8) A notice of determination under this paragraph must be given to the company, and to the reporting company, stating the date on which the determination is made.
- (9) No determination under this paragraph may be made<sup>F8</sup>—
- (a) in a case where Condition D is met, after the end of the period of 12 months beginning with the expiry of the time limit mentioned in paragraph 8(5), and
  - (b) in any other case,] after the end of the period of 3 years beginning with <sup>F9</sup>the filing date referred to in sub-paragraph (1)(b)].

#### **Textual Amendments**

- F2** Sch. 7A para. 56(1)(b) substituted (with effect in accordance with Sch. 3 para. 30-36 of the amending Act) by Finance (No. 2) Act 2023 (c. 30), **Sch. 3 para. 24(2)**
- F3** Word in Sch. 7A para. 56(1)(c) omitted (with effect in accordance with Sch. 3 para. 30-36 of the amending Act) by virtue of Finance (No. 2) Act 2023 (c. 30), **Sch. 3 para. 24(3)(a)**
- F4** Words in Sch. 7A para. 56(1)(c) substituted (with effect in accordance with Sch. 3 para. 30-36 of the amending Act) by Finance (No. 2) Act 2023 (c. 30), **Sch. 3 para. 24(3)(b)**
- F5** Sch. 7A para. 56(2) omitted (with effect in accordance with Sch. 3 para. 30-36 of the amending Act) by virtue of Finance (No. 2) Act 2023 (c. 30), **Sch. 3 para. 24(4)**
- F6** Sch. 7A para. 56(3) omitted (with effect in accordance with Sch. 3 para. 30-36 of the amending Act) by virtue of Finance (No. 2) Act 2023 (c. 30), **Sch. 3 para. 24(4)**
- F7** Sch. 7A para. 56(5A) inserted (with effect in accordance with Sch. 3 para. 30-36 of the amending Act) by Finance (No. 2) Act 2023 (c. 30), **Sch. 3 para. 24(5)**
- F8** Sch. 7A para. 56(9)(a)(b) inserted (with effect in accordance with Sch. 3 para. 30-36 of the amending Act) by Finance (No. 2) Act 2023 (c. 30), **Sch. 3 para. 24(6)(a)**
- F9** Words in Sch. 7A para. 56(9) substituted (with effect in accordance with Sch. 3 para. 30-36 of the amending Act) by Finance (No. 2) Act 2023 (c. 30), **Sch. 3 para. 24(6)(b)**

#### *Time limit: interest restriction return following determination under paragraph 56*

- 57 (1) Sub-paragraph (2) applies where—
- (a) a notice of determination under paragraph 56 is given to a company, and
  - (b) at the time the notice is given, no interest restriction return for the relevant period of account has been submitted under paragraph 7.

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- (2) Despite the passing of the time limit in paragraph 7(6), an interest restriction return for the relevant period of account submitted under paragraph 7 has effect if it is received before the end of the period of 12 months beginning with the date on which the notice is given.
- (3) Sub-paragraph (4) applies where—
  - (a) a notice of determination under paragraph 56 is given to a company, and
  - (b) at the time the notice is given, an interest restriction return for the relevant period of account has been submitted under paragraph 7.
- (4) Despite the passing of the time limit in paragraph 8(3), an interest restriction return for the relevant period of account submitted under paragraph 8 has effect if it is received before the end of the period of 12 months beginning with the date on which the notice is given.
- (5) In this paragraph “the relevant period of account” means the period of account to which the determination in question relates.

*Power of Revenue and Customs to make determinations following enquiry*

- 58
- (1) This paragraph applies where—
    - (a) as a result of a closure notice given under paragraph 47 (closure notice in respect of a return subject to enquiry), a company is required to submit an interest restriction return (“the return”) in relation to a worldwide group,
    - (b) the worldwide group is subject to interest restrictions in the return period, and
    - (c) condition A or B is met.
  - (2) Condition A is that the time limit in paragraph 50(2) for submission of the return has passed without the return being received by an officer of Revenue and Customs.
  - (3) Condition B is that—
    - (a) the return has been received by an officer of Revenue and Customs before the time limit in paragraph 50(2), and
    - (b) the officer considers that the return does not comply with the requirements of the closure notice.
  - (4) An officer of Revenue and Customs may determine, to the best of the officer's information and belief—
    - (a) a company's pro-rata share of the total disallowed amount of the group for the period of account in question, and
    - (b) in relation to each relevant accounting period of the company, the accounting period's pro-rata share of the total disallowed amount.
  - (5) If, as a result of the determination, an accounting period's pro-rata share of the total disallowed amount is not nil, the company must leave out of account tax-interest expense amounts in that period that, in total, equal that pro-rata share.
  - (6) A notice of determination under this paragraph must be given to the company, and to the reporting company, stating the date on which the determination is made.
  - (7) No determination under this paragraph may be made after the end of the period of 3 months beginning with the end of the period mentioned in paragraph 50(2).

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*Appeal against determination under paragraph 58*

- 59 (1) If a notice of determination under paragraph 58 is given to a company, the company may appeal against the notice.
- (2) The only ground on which an appeal under this paragraph may be brought is that the determination is inconsistent with the requirements of the closure notice to which it relates.
- (3) Notice of appeal under this paragraph must be given—
- (a) within 30 days after the notice of determination was given to the company,
  - (b) to the officer of Revenue and Customs by whom the notice of determination was given.]

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