



# Taxation (International and Other Provisions) Act 2010

## 2010 CHAPTER 8

### [<sup>F1</sup>PART 9A

#### CONTROLLED FOREIGN COMPANIES

#### CHAPTER 4

##### THE CFC CHARGE GATEWAY: PROFITS ATTRIBUTABLE TO UK ACTIVITIES

#### [<sup>F1</sup>371DC] **Exclusion: UK activities a minority of total activities**

- (1) For the purposes of step 6 in section 371DB(1), this section applies to an asset or risk included in the relevant assets and risks if amount A is no more than 50% of amount B.
- (2) Amount A is the total of—
  - (a) the gross amounts (that is, the amounts before deduction of expenses or transfers to or from reserves) of the CFC's income which would not have become receivable during the accounting period had the CFC—
    - (i) not held the asset, or
    - (ii) not borne the risk,so far as it would be attributed to the permanent establishment mentioned at step 5 in section 371DB(1), and
  - (b) the additional expenses which the CFC would have incurred during the accounting period had the CFC—
    - (i) not held the asset, or
    - (ii) not borne the risk,so far as it would be so attributed.
- (3) Amount B is the total of—

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**Changes to legislation:** *There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 371DC. (See end of Document for details)*

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- (a) the gross amounts (that is, the amounts before deduction of expenses or transfers to or from reserves) of the CFC's income which would not have become receivable during the accounting period had the CFC—
    - (i) not held the asset to any extent at all, or
    - (ii) not borne the risk to any extent at all, and
  - (b) the additional expenses which the CFC would have incurred during the accounting period had the CFC—
    - (i) not held the asset to any extent at all, or
    - (ii) not borne the risk to any extent at all.
- (4) Subsection (5) applies if it is not reasonably practicable to separate a number of assets or risks included in the relevant assets and risks for the purpose of determining amounts A and B in relation to each of those assets or risks separately.
- (5) In subsections (1) to (3) references to an asset or risk are to be read as references to those assets or risks taken together.]

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**Textual Amendments**

**F1** Pt. 9A inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), **Sch. 20 para. 1** (with ss. 56-58)

**Changes to legislation:**

There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 371DC.