



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

[^{F1}PART 9A

CONTROLLED FOREIGN COMPANIES

CHAPTER 16

CREDITABLE TAX OF A CFC

[^{F1}371PA What is “creditable tax”?

- (1) For the purposes of step 2 in section 371BC(1) a CFC's creditable tax for an accounting period is the total of—
 - (a) the amount of any relief from corporation tax attributable to any foreign tax which, applying the corporation tax assumptions, would be given to the CFC by virtue of Part 2 (double taxation relief) in respect of any income included or represented in the CFC's chargeable profits for the accounting period,
 - (b) any amount of relevant income tax which, applying the corporation tax assumptions, would be set off against corporation tax on the CFC's chargeable profits for the accounting period by virtue of section 967 of CTA 2010 (cases in which a company receives a payment bearing income tax),
 - (c) any amount of income tax or corporation tax actually charged in respect of any income included or represented in the CFC's chargeable profits for the accounting period, and
 - (d) any amount of a foreign CFC charge paid in respect of any income included or represented in the CFC's chargeable profits for the accounting period.
- (2) In subsection (1)(a) “foreign tax” means—
 - (a) the local tax amount, or
 - (b) any tax under the law of a relevant foreign territory.

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

- (3) In subsection (1)(b) “relevant income tax” means income tax which the CFC bears by deduction on a payment so far as the payment is included or represented in the CFC’s chargeable profits.
- (4) In subsection (1)(d) “foreign CFC charge” means a charge under the law of a relevant foreign territory (by whatever name known) which is similar to the CFC charge.
- (5) In subsection (1)(b) to (d) references to an amount being set off, an amount actually charged or an amount paid do not include so much of any such amount as has been or falls to be repaid to the CFC or any other person whether on the making of a claim or otherwise.
- (6) “Relevant foreign territory” means a territory outside the United Kingdom other than the territory in which the CFC is resident for the accounting period.]

Textual Amendments

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

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