



# Taxation (International and Other Provisions) Act 2010

## 2010 CHAPTER 8

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

#### CONTROLLED FOREIGN COMPANIES

#### CHAPTER 18

#### CONTROL ETC

#### [<sup>F1</sup>371RE] Control determined by reference to accounting standards

- (1) A person (“P”) “controls” a company (“C”) at any time when P is C's parent <sup>F2</sup>....
- (2) But C is not to be taken to be a CFC by virtue of subsection (1) at the time in question unless the 50% condition is met at that time.
- (3) To determine if the 50% condition is met at the time in question, assume—
  - (a) that C is a CFC at that time,
  - (b) that that time is itself an accounting period of the CFC, and
  - (c) that section 371BC (charging the CFC charge) applies in relation to the assumed accounting period.
- (4) The 50% condition is met at the time in question if, as a result of steps 1 and 3 in section 371BC(1), at least 50% of the CFC's chargeable profits would be apportioned to P taken together with its UK resident [<sup>F3</sup>subsidiaries] (if any).
- (5) [<sup>F4</sup>“Parent”] and [<sup>F5</sup>“subsidiary”] are to be read in accordance with [<sup>F6</sup>Financial Reporting Standard 102 issued in March 2013 by the Financial Reporting Council] , as from time to time modified, amended or revised.

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

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- (6) For the purposes of this section it does not matter if P does not prepare, or is not required to prepare, consolidated financial statements in accordance with [F7Financial Reporting Standard 102] (but see section 371RF(3)).]

#### Textual Amendments

- F1** Pt. 9A inserted (17.7.2012) by Finance Act 2012 (c. 14), **Sch. 20 para. 1** (with ss. 56-58)
- F2** Word in s. 371RE(1) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of The Taxation (International and Other Provisions) Act 2010 (Amendment to Section 371RE) (Controlled Foreign Companies) Regulations 2014 (S.I. 2014/3237), regs. 1(2), **2(a)**
- F3** Word in s. 371RE(4) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Taxation (International and Other Provisions) Act 2010 (Amendment to Section 371RE) (Controlled Foreign Companies) Regulations 2014 (S.I. 2014/3237), regs. 1(2), **2(b)**
- F4** Word in s. 371RE(5) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Taxation (International and Other Provisions) Act 2010 (Amendment to Section 371RE) (Controlled Foreign Companies) Regulations 2014 (S.I. 2014/3237), regs. 1(2), **2(c)(i)**
- F5** Word in s. 371RE(5) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Taxation (International and Other Provisions) Act 2010 (Amendment to Section 371RE) (Controlled Foreign Companies) Regulations 2014 (S.I. 2014/3237), regs. 1(2), **2(c)(ii)**
- F6** Words in s. 371RE(5) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Taxation (International and Other Provisions) Act 2010 (Amendment to Section 371RE) (Controlled Foreign Companies) Regulations 2014 (S.I. 2014/3237), regs. 1(2), **2(c)(iii)**
- F7** Words in s. 371RE(6) substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Taxation (International and Other Provisions) Act 2010 (Amendment to Section 371RE) (Controlled Foreign Companies) Regulations 2014 (S.I. 2014/3237), regs. 1(2), **2(d)**

**Changes to legislation:**

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