



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

[^{F1}PART 9A

CONTROLLED FOREIGN COMPANIES

CHAPTER 19

ASSUMED TAXABLE TOTAL PROFITS, ASSUMED TOTAL PROFITS AND THE CORPORATION TAX ASSUMPTIONS

“The corporation tax assumptions”

[^{F1}371SJElections for leases to be treated as long funding leases

- (1) This section applies if—
 - (a) a notice is given to an officer of Revenue and Customs requesting that the CFC be assumed to have made a long funding lease election in the form specified in the notice, and
 - (b) the time at which the notice is given is a time at which, applying the corporation tax assumptions apart from this section, the CFC would have been able to make a long funding lease election in the form specified in the notice.
- (2) Assume—
 - (a) that a long funding lease election has been made by the CFC in the form specified in the notice under subsection (1) at the time in question, and
 - (b) that, accordingly, regulation 2(5) of the 2007 Regulations applies to determine the effect (if any) of that election.
- (3) Subsection (2)(b) does not apply if—

Status: Point in time view as at 17/07/2012.

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

- (a) a notice is given to an officer of Revenue and Customs withdrawing the notice under subsection (1), and
 - (b) the time at which the notice withdrawing the notice under subsection (1) is given is a time at which, applying the corporation tax assumptions apart from this section and the assumption in subsection (2)(a), the CFC would have been able to withdraw its assumed long funding lease election.
- (4) A notice under subsection (1) or (3) may be given only by a company or companies determined under subsection (5) or (6).
- (5) A company may give a notice if—
- (a) the company would be likely to be a chargeable company in relation to the applicable accounting period were section 371BC (charging the CFC charge) to apply in relation to that period, and
 - (b) the percentage of the CFC's chargeable profits for the applicable accounting period which would be likely to be apportioned to the company at step 3 in section 371BC(1) would represent more than half of X%.
- (6) Two or more companies may together give a notice if—
- (a) the companies would all be likely to be chargeable companies in relation to the applicable accounting period were section 371BC (charging the CFC charge) to apply in relation to that period, and
 - (b) the percentage of the CFC's chargeable profits for the applicable accounting period which would be likely to be apportioned to the companies, taken together, at step 3 in section 371BC(1) would represent more than half of X%.
- (7) In this section—
- (a) “the 2007 Regulations” means the Long Funding Leases (Elections) Regulations 2007 (S.I. 2007/304),
 - (b) terms defined in the 2007 Regulations have the same meaning as they have in the 2007 Regulations,
 - (c) “the applicable accounting period” means the CFC's accounting period in which falls the effective date specified in the notice under subsection (1), and
 - (d) “X%” means the total percentage of the CFC's chargeable profits for the applicable accounting period which would be likely to be apportioned to chargeable companies at step 3 in section 371BC(1) were section 371BC (charging the CFC charge) to apply in relation to the applicable accounting period.
- (8) The Treasury may by regulations amend this section as they consider appropriate to take account of any regulations made by them from time to time under paragraph 16 of Schedule 8 to FA 2006 (elections for leases to be treated as long funding leases).]

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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