



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

[^{F1}PART 10]

[^{F1}CORPORATE INTEREST RESTRICTION]

[^{F1}CHAPTER 3]

[^{F1}TAX-INTEREST AMOUNTS]

[^{F1}Tax-interest expense and income amounts: basic rules]

[^{F1}382 The tax-interest expense amounts of a company

- (1) References in this Part to a “tax-interest expense amount” of a company for a period of account of a worldwide group are to any amount that—
 - (a) is (or apart from this Part would be) brought into account for the purposes of corporation tax in a relevant accounting period of the company, and
 - (b) meets condition A, B or C.

[But, in the case of a company which is a charity (as defined in paragraph 1 of ^{F2}(1A) Schedule 6 to FA 2010) at the end of the period of account, references in this Part to a “tax-interest expense amount” of the company do not include references to an amount which meets Condition A, B or C.]

- (2) Condition A is that the amount is a relevant loan relationship debit (see section 383).
- (3) Condition B is that the amount is a relevant derivative contract debit (see section 384).
- (4) Condition C is that the amount is in respect of the financing cost implicit in amounts payable under a relevant arrangement or transaction.

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 382. (See end of Document for details)

- (5) In subsection (4) “relevant arrangement or transaction” means—
- (a) a finance lease,
 - (b) debt factoring, or any similar transaction, or
 - (c) a service concession arrangement if and to the extent that the arrangement is accounted for as a financial liability.
- (6) Subsection (8) applies if an accounting period in which a tax-interest expense amount is (or apart from this Part would be) brought into account for the purposes of corporation tax contains one or more disregarded periods.
- (7) A “disregarded period” is any period falling within the accounting period—
- (a) which does not fall within the period of account of the worldwide group, or
 - (b) throughout which the company is not a member of the group.
- (8) Where this subsection applies, the tax-interest expense amount mentioned in subsection (6) is reduced by such amount as is referable, on a just and reasonable basis, to the disregarded period or periods mentioned in that subsection.
- (9) An amount may be reduced to nil under subsection (8).
- (10) If—
- (a) an amount would have met condition A, B or C but for the application of a rule preventing its deduction,
 - (b) some or all of it is deductible at a subsequent time as a result of the application of another rule, and
 - (c) none of conditions A to C are met at that time,
- so much of the amount as is subsequently deductible is treated, at that time, as meeting whichever of condition A, B or C would have been met but for the application of the rule mentioned in paragraph (a).
- (11) An example of a case to which subsection (10) applies is a case where—
- (a) an amount is prevented from being deducted as a result of any provision made by Part 6A (hybrid and other mismatches), and
 - (b) another provision of that Part subsequently applies so as to permit some or all of it to be deducted from total profits.]

Textual Amendments

- F1** Pt. 10: the existing Pt. 10 renumbered as Pt. 11 (except for ss. 375, 376 which are repealed), the existing ss. 372-374, 377-382 renumbered as ss. 499-507 and a new Pt. 10 (ss. 372-498) inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), Sch. 5 para. 1, [10\(1\)\(2\)\(a\)\(3\)](#) (with Sch. 5 paras. 27, 32-34)
- F2** [S. 382\(1A\)](#) 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. 2](#)

Changes to legislation:

There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 382.