



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 2

DOUBLE TAXATION RELIEF

CHAPTER 2

DOUBLE TAXATION RELIEF BY WAY OF CREDIT

Limit on credit against corporation tax

49 Restricting section 44(3) if company is a bank or connected with a bank

- (1) Section 44(3) is subject to subsection (2) of this section if—
 - (a) the company is a bank or is connected with a bank, and
 - (b) the amount of the included funding costs is significantly less than the amount of the notional funding costs.
- (2) The amount of the notional funding costs is to be included in the amount to be taken into account under section 44(3), but only so far as it exceeds the amount of the included funding costs.
- (3) In this section—
 - “the company” means the company mentioned in section 44(3)(a),
 - “included funding costs” means the total of the funding costs that are—
 - (a) incurred by the company, or any company connected with the company, in respect of capital used to fund the relevant transaction, and
 - (b) included in the amount to be taken into account under section 44(3) before the application of subsection (2) of this section,

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Taxation (International and Other Provisions) Act 2010. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

“notional funding costs” means the funding costs that the relevant bank would incur (on the basis of its average funding costs) in respect of the capital that would be needed to wholly fund the relevant transaction if that transaction were funded in that way,

“the relevant bank” means the bank that is the company, or with which the company is connected, and

“the relevant transaction” means the transaction, arrangement or asset from which the income mentioned in section 44(1) arises.

- (4) The following provisions apply for the purposes of this section—
section 1120 of CTA 2010 (meaning of “bank”), and
section 1122 of CTA 2010 (meaning of “connected”).

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Pt. 11 Pt. 10 renumbered as Pt. 11 by 2017 c. 32 Sch. 5 para. 10(1)
- s. 1(1)(f)(g) inserted by 2017 c. 32 Sch. 5 para. 13(b)
- s. 71A 71B and cross-heading inserted by 2018 c. 3 s. 30(2)
- s. 85(3)(b) words substituted by 2010 c. 13 Sch. 11 para. 2(3)
- s. 87(7) inserted by 2018 c. 3 s. 31(3)(d)
- s. 93(3A) inserted by 2017 c. 32 Sch. 15 para. 39(2)
- s. 112(4)(aa) inserted by 2018 c. 3 s. 30(4)
- s. 156(1)(h) and word inserted by 2017 c. 32 Sch. 4 para. 178(c)
- s. 157(1)(e) and word inserted by 2017 c. 32 Sch. 5 para. 15(b)
- s. 159(1)(e) and word inserted by 2017 c. 32 Sch. 5 para. 16(b)
- s. 160(1)(e) and word inserted by 2017 c. 32 Sch. 5 para. 17(b)
- s. 171(2A) inserted by 2017 c. 32 Sch. 15 para. 40
- s. 257(4A) inserted by 2017 c. 32 Sch. 15 para. 42(2)
- s. 259B(5) inserted by 2018 c. 3 Sch. 7 para. 2(b)
- s. 259FA(7A) inserted by 2018 c. 3 Sch. 7 para. 4
- s. 259HB(2A) inserted by 2018 c. 3 Sch. 7 para. 12
- s. 259KB(4A) inserted by 2018 c. 3 Sch. 7 para. 6
- s. 259NEA and cross-heading inserted by 2017 c. 32 Sch. 5 para. 20
- s. 371SL(4) inserted by 2017 c. 32 Sch. 5 para. 23(2)
- s. 371CEA inserted by 2017 c. 32 Sch. 5 para. 21(3)
- s. 371SKA inserted by 2017 c. 32 Sch. 4 para. 180
- s. 371SLA inserted by 2017 c. 32 Sch. 5 para. 23(3)
- s. 378(3) words omitted by 2018 c. 3 Sch. 8 para. 18
- s. 378(6) words omitted by 2018 c. 3 Sch. 8 para. 18
- s. 384(3)(c) substituted by 2018 c. 3 Sch. 8 para. 2(2)
- s. 384(3A) inserted by 2018 c. 3 Sch. 8 para. 2(3)
- s. 387(3)(c) substituted by 2018 c. 3 Sch. 8 para. 3(2)
- s. 387(3A) inserted by 2018 c. 3 Sch. 8 para. 3(3)
- s. 393(5)(a) words substituted by 2018 c. 3 Sch. 8 para. 19
- s. 411(1)(b) words inserted by 2018 c. 3 Sch. 8 para. 20(2)(a)
- s. 411(1)(e)(iii) substituted by 2018 c. 3 Sch. 8 para. 4(2)
- s. 411(1)(h) words inserted by 2018 c. 3 Sch. 8 para. 20(2)(b)
- s. 411(2)(d)(iii) substituted by 2018 c. 3 Sch. 8 para. 4(3)
- s. 411(2)(f) words inserted by 2018 c. 3 Sch. 8 para. 20(3)
- s. 412(1) words inserted by 2018 c. 3 Sch. 8 para. 21(2)(a)
- s. 412(1)(b) words inserted by 2018 c. 3 Sch. 8 para. 21(2)(c)
- s. 412(1)(c) words inserted by 2018 c. 3 Sch. 8 para. 21(2)(d)
- s. 412(1)(ab) inserted by 2018 c. 3 Sch. 8 para. 21(2)(b)
- s. 412(3A) inserted by 2018 c. 3 Sch. 8 para. 5
- s. 412(6)(a) words substituted by 2018 c. 3 Sch. 8 para. 21(3)(a)
- s. 412(6)(b) words substituted by 2018 c. 3 Sch. 8 para. 21(3)(b)
- s. 414(3)(b) excluded by SI 2006/3296, reg. 22(2) (as inserted) by S.I. 2017/1227 reg. 3(2)
- s. 414(3)(b) excluded by SI 2007/3402, reg. 12 (as inserted) by S.I. 2017/1227 reg. 4(2)
- s. 416(2A) inserted by 2018 c. 3 Sch. 8 para. 6
- s. 433(1)(c) words substituted by 2018 c. 3 Sch. 8 para. 7(2)
- s. 433(11)(a) words substituted by 2018 c. 3 Sch. 8 para. 7(3)
- s. 433(12) inserted by 2018 c. 3 Sch. 8 para. 7(4)

- s. 434(1)(a) words substituted by 2018 c. 3 Sch. 8 para. 8(2)
- s. 434(5)(ab) inserted by 2018 c. 3 Sch. 8 para. 8(3)
- s. 436(2)(d) words substituted by 2018 c. 3 Sch. 8 para. 9(2)
- s. 436(10A) inserted by 2018 c. 3 Sch. 8 para. 9(3)
- s. 443(2) substituted by 2018 c. 3 Sch. 8 para. 10
- s. 444(1) words inserted by 2018 c. 3 Sch. 8 para. 11
- s. 454A and cross-heading inserted by 2018 c. 3 Sch. 8 para. 12
- s. 475(1)(b) words inserted by 2018 c. 3 Sch. 8 para. 13(2)
- s. 475(3) substituted by 2018 c. 3 Sch. 8 para. 13(3)
- s. 499 s. 372 renumbered as s. 499 by 2017 c. 32 Sch. 5 para. 10(3)(a)
- s. 500 s. 373 renumbered as s. 500 by 2017 c. 32 Sch. 5 para. 10(3)(b)
- s. 501 s. 374 renumbered as s. 501 by 2017 c. 32 Sch. 5 para. 10(3)(c)
- s. 502 s. 377 renumbered as s. 502 by 2017 c. 32 Sch. 5 para. 10(3)(d)
- s. 503 s. 378 renumbered as s. 503 by 2017 c. 32 Sch. 5 para. 10(3)(e)
- s. 504 s. 379 renumbered as s. 504 by 2017 c. 32 Sch. 5 para. 10(3)(f)
- s. 505 s. 380 renumbered as s. 505 by 2017 c. 32 Sch. 5 para. 10(3)(g)
- s. 506 s. 381 renumbered as s. 506 by 2017 c. 32 Sch. 5 para. 10(3)(h)
- s. 507 s. 382 renumbered as s. 507 by 2017 c. 32 Sch. 5 para. 10(3)(i)
- Sch. 7A para. 12(2) applied by 2018 c. 3 Sch. 8 para. 23(3)
- Sch. 7A inserted by 2017 c. 32 Sch. 5 para. 2
- Sch. 7A para. 70(1A) inserted by 2018 c. 3 Sch. 8 para. 15(3)
- Sch. 7A para. 70 cross-heading inserted by 2018 c. 3 Sch. 8 para. 15(4)
- Sch. 7A para. 70A and cross-heading inserted by 2018 c. 3 Sch. 8 para. 16
- Sch. 7A para. 9(1)(a) word omitted by 2018 c. 3 Sch. 8 para. 14(2)
- Sch. 7A para. 9(2) words inserted by 2018 c. 3 Sch. 8 para. 14(3)(b)
- Sch. 7A para. 9(2) words substituted by 2018 c. 3 Sch. 8 para. 14(3)(a)
- Sch. 7A para. 9 cross-heading words substituted by 2018 c. 3 Sch. 8 para. 14(4)
- Sch. 7A para. 70(1) words substituted by 2018 c. 3 Sch. 8 para. 15(2)
- Sch. 7A para. 71(1)(a) words substituted by 2018 c. 3 Sch. 8 para. 17(2)
- Sch. 7A para. 71 cross-heading words substituted by 2018 c. 3 Sch. 8 para. 17(3)
- Sch. 11 Pt. 7 inserted by 2017 c. 32 Sch. 5 para. 24