
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Cross
Heading: *Qualifying expenditure on externally provided workers.* (See end of Document for details)

SCHEDULES

SCHEDULE 3

RELIEF FOR EXPENDITURE ON R&D

Qualifying expenditure on externally provided workers

- 33 Chapter 9 (supplementary) is amended as follows.
- 34 (1) Section 1128 (“externally provided worker”) is amended as follows.
- (2) In subsection (7), for “the staff provider” substitute “ a person other than the company (the “staff controller”) ”.
- (3) After subsection (8) insert—
- “(9) In sections 1129 to 1131 references to “staff controller” are to be read in accordance with subsection (7).”
- 35 (1) Section 1129 (connected persons) is amended as follows.
- (2) In subsection (1), for paragraphs (b) and (c) substitute—
- “(b) the company, the staff provider and (if different) the staff controller (or staff controllers) are all connected, and
- (c) in accordance with generally accepted accounting practice—
- (i) the whole of the staff provision payment has been brought into account in determining the staff provider's profit or loss for a relevant period, and
- (ii) all of the relevant expenditure of each staff controller has been brought into account in determining the staff controller's profit or loss for a relevant period.”
- (3) In subsection (2)(b), for “the staff provider's relevant expenditure” substitute “ the aggregate of the relevant expenditure of each staff controller ”.
- (4) In subsection (3)—
- (a) for “of the staff provider” substitute “ , in relation to a staff controller, ”, and
- (b) in paragraph (a), for “staff provider” substitute “ staff controller ”.
- (5) In subsection (4)—
- (a) after “ “Relevant period” ” insert “ , in relation to a person, ”, and
- (b) in paragraph (a), for “staff provider” substitute “ person ”.
- (6) In subsection (5)—
- (a) for “the staff provider's expenditure” substitute “ the expenditure of a staff controller ”, and
- (b) for “the staff provider” substitute “ a staff controller ”.
- (7) In subsection (7), for “staff provider” substitute “ a staff controller ”.

Changes to legislation: *There are currently no known outstanding effects for the Finance Act 2012, Cross*
Heading: Qualifying expenditure on externally provided workers. (See end of Document for details)

- 36 (1) Section 1130 (election for connected persons treatment) is amended as follows.
- (2) For subsection (1) substitute—
- “(1) If—
- (a) a company makes a staff provision payment, and
- (b) the company, the staff provider and (if different) the staff controller (or staff controllers) are not all connected,
- they may jointly elect that section 1129 is to apply to them as if they were all connected.”
- (3) In subsection (2), for “must be made” substitute “has effect”.
- 37 In section 1131 (qualifying expenditure on externally provided workers: other cases), in subsection (1), for paragraph (b) (but not the “and” following it) substitute—
- “(b) the company, the staff provider and (if different) the staff controller (or staff controllers) are not all connected,”.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2012, Cross Heading:
Qualifying expenditure on externally provided workers.