



Finance Act 2015

2015 CHAPTER 11

PART 3

DIVERTED PROFITS TAX

Charge to tax

79 Charge to tax

- (1) A charge to diverted profits tax is imposed for an accounting period by a designated HMRC officer issuing to the company a charging notice in accordance with section 95 or a supplementary charging notice in accordance with section 101(8).
- (2) [^{F1}Subject to subsections (3) and (3A), the] amount of tax charged by a notice is the sum of—
 - (a) [^{F2}31%] of the amount of taxable diverted profits specified in the notice, and
 - (b) the interest (if any) on the amount within paragraph (a) determined under subsection (4).
- (3) [^{F3}If], and to the extent that, the taxable diverted profits are adjusted ring fence profits or notional adjusted ring fence profits, and determined under section 84 or 85, subsection (2)(a) has effect in relation to those profits as if the rate specified were 55% rather than [^{F4}31%].
- [^{F5}(3A) If, and to the extent that, the taxable diverted profits are banking surcharge profits or notional banking surcharge profits, subsection (2)(a) has effect in relation to those profits as if the rate specified were 33% rather than [^{F6}31%.]
- (4) The interest mentioned in subsection (2)(b) is interest at the rate applicable under section 178 of FA 1989 for the period (if any) which—
 - (a) begins 6 months after the end of the accounting period to which the charge relates, and
 - (b) ends with the day the notice imposing the charge to tax is issued.
- (5) In this section—

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“adjusted ring fence profits” has the same meaning as in section 330 of CTA 2010 (supplementary charge in respect of ring fence trades);

[^{F7}“banking surcharge profits” means surcharge profits within the meaning of Chapter 4 of Part 7A of that Act (see section 269DA(2) of that Act);]

“notional adjusted ring fence profits”, in relation to the company, means the total of—

- (a) profits within section 85(5)(a), to the extent that (assuming they were profits of the company chargeable to corporation tax) they would have been adjusted ring fence profits, and
- (b) any amounts of relevant taxable income of a company (“CC”) within section 85(4)(b) or (5)(b), to the extent that (assuming those amounts were profits of CC chargeable to corporation tax) they would have been adjusted ring fence profits of CC.

[^{F8}“notional banking surcharge profits”, in relation to the company, means the total of—

- (a) profits within section 85(5)(a) or 91(5)(a), to the extent that (assuming they were profits of the company chargeable to corporation tax) they would have been banking surcharge profits, and
- (b) any amounts of relevant taxable income of a company (“CC”) within section 85(4)(b) or (5)(b) or 91(4)(b) or (5)(b), to the extent that (assuming those amounts were profits of CC chargeable to corporation tax) they would have been banking surcharge profits of CC.]

[^{F9}(6) But banking surcharge profits and notional banking surcharge profits, to the extent that they are determined by reference to notional PE profits (or what would have been notional PE profits) for an accounting period, do not include any amount which is (or would have been) included in notional PE profits for that period by virtue of section 88(5)(b).]

Textual Amendments

- F1** Words in s. 79(2) substituted (with effect in accordance with Sch. 3 Pt. 3 of the commencing Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [Sch. 3 para. 12\(2\)](#)
- F2** Word in s. 79(2)(a) substituted (with effect in accordance with s. 8(2) of the amending Act) by [Finance Act 2021 \(c. 26\)](#), [s. 8\(1\)\(a\)](#)
- F3** Word in s. 79(3) substituted (with effect in accordance with Sch. 3 Pt. 3 of the commencing Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [Sch. 3 para. 12\(3\)](#)
- F4** Word in s. 79(3) substituted (with effect in accordance with s. 8(2) of the amending Act) by [Finance Act 2021 \(c. 26\)](#), [s. 8\(1\)\(b\)](#)
- F5** S. 79(3A) inserted (with effect in accordance with Sch. 3 Pt. 3 of the commencing Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [Sch. 3 para. 12\(4\)](#)
- F6** Word in s. 79(3A) substituted (with effect in accordance with s. 8(2) of the amending Act) by [Finance Act 2021 \(c. 26\)](#), [s. 8\(1\)\(b\)](#)
- F7** Words in s. 79(5) inserted (with effect in accordance with Sch. 3 Pt. 3 of the commencing Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [Sch. 3 para. 12\(5\)\(a\)](#)
- F8** Words in s. 79(5) inserted (with effect in accordance with Sch. 3 Pt. 3 of the commencing Act) by [Finance \(No. 2\) Act 2015 \(c. 33\)](#), [Sch. 3 para. 12\(5\)\(b\)](#)
- F9** S. 79(6) inserted (with effect in accordance with s. 43(7) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [s. 43\(2\)](#)

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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):

- Sch. 21 para. 2(e) and word inserted by [2021 c. 26 Sch. 27 para. 44\(3\)\(b\)](#)
- Sch. 21 para. 5(6) inserted by [2021 c. 26 Sch. 27 para. 44\(4\)\(b\)](#)