

# **CORPORATION TAX (NORTHERN IRELAND) ACT 2015**

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## **EXPLANATORY NOTES**

### **SECTION 3 AND SCHEDULE 2: OTHER AMENDMENTS**

146. **Section 3** introduces Schedule 2, which contains amendments of CTA 2009 and of the Taxation (International and Other Provisions Act) 2010 (TIOPA 2010).

#### ***Part 1 of Schedule 2***

147. **Paragraph 1** inserts new section 738A into Part 8 of CTA 2009 which deals with the rules on intangible fixed assets. New section 738A provides rules which deal with the realisation of an intangible fixed asset that has previously been subject to the NI corporation tax regime by a company that is not a Northern Ireland company.
148. **Paragraphs 2 and 3** amend provisions relating to controlled foreign companies (CFCs).
149. **Paragraph 2** amends section 371BC of TIOPA 2010. Section 371BC sets out the process for applying the CFC charge on a chargeable company. The amendment makes it clear that in determining the “appropriate rate” it is assumed at all of the chargeable company’s profits of the relevant accounting period on which corporation tax is chargeable are chargeable at the main rate rather than the Northern Ireland rate.
150. **Paragraph 3** amends section 371UD of TIOPA 2010. Section 371UD provides for relief against the CFC charge for relevant allowances. These include loss relief claims under section 37 of CTA 2010 and group relief. The amendment makes it clear that the relief due, where the relevant allowance is a Northern Ireland loss, is calculated by applying the appropriate Northern Ireland rate on the relevant amount specified in the claim.

#### ***Part 2 of Schedule 2***

151. **Part 2** contains consequential amendments.