
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Paragraph 4. (See end of Document for details)

SCHEDULES

SCHEDULE 6

NON-UK RESIDENT COMPANIES CARRYING ON UK PROPERTY BUSINESSES ETC

Debits referable to times before UK property business etc is carried on

4 After section 607 of CTA 2009 insert—

“607ZA Debits referable to times before UK property business etc carried on

- (1) This section applies if—
 - (a) a non-UK resident company has debits in respect of a derivative contract to which it is a party for the purposes of its UK property business,
 - (b) the debits are referable to times (“the pre-rental times”) before (but not more than 7 years before) the date on which it starts to carry on the business, and
 - (c) the debits are not otherwise brought into account for tax purposes.
- (2) If, on the assumption that the company had been carrying on the business at the pre-rental times, the debits—
 - (a) would have been recognised in determining its profit or loss for a period consisting of or including those times, and
 - (b) would have been brought into account for the purposes of this Part, the debits are (so far as they exceed relevant credits) treated for the purposes of this Part as if they were debits for the accounting period in which it started to carry on the business.
- (3) For this purpose “relevant credits” means credits of the company in respect of the derivative contract which, on the assumption that the company had been carrying on the business at the pre-rental times—
 - (a) would have been recognised in determining its profit or loss for a period consisting of or including those times,
 - (b) would have been brought into account for the purposes of this Part, and
 - (c) would not otherwise have been brought into account for tax purposes.
- (4) This section also applies in relation to a non-UK resident company which is a party to a derivative contract for the purpose of enabling it to generate other UK property income (within the meaning given by section 5(6)).”

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2020, Paragraph 4.