



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### [<sup>F1</sup>PART 8A

#### PROFITS ARISING FROM THE EXPLOITATION OF PATENTS ETC

#### CHAPTER 1

#### REDUCED CORPORATION TAX RATE FOR PROFITS FROM PATENTS ETC

#### [<sup>F1</sup>357A Election for special treatment of profits from patents etc

- (1) A company may elect that any relevant IP profits of a trade of the company for an accounting period for which it is a qualifying company are chargeable at a lower rate of corporation tax.
- (2) An election under subsection (1) is to be given effect by allowing a deduction to be made in calculating for corporation tax purposes the profits of the trade for the period.
- (3) The amount of the deduction is—

$$RP \times (MR - IPR MR)$$

where—

RP is the relevant IP profits of the trade of the company,

MR is the main rate of corporation tax, and

IPR is the special IP rate of corporation tax.

- (4) The special IP rate of corporation tax is 10%.
- (5) Chapter 2 specifies when a company is a qualifying company.
- (6) Chapter 3 makes provision for determining the relevant IP profits or relevant IP losses of a trade.

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*Status: Point in time view as at 01/02/2015. This version of this provision has been superseded.*

*Changes to legislation: Corporation Tax Act 2010, Section 357A is up to date with all changes known to be in force on or before 15 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

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- (7) Chapter 4 makes provision for an alternative way of determining the relevant IP profits or losses of a trade known as “streaming”.
- (8) Chapter 5 makes provision in relation to the relevant IP losses of a trade.
- (9) Chapter 6 contains anti-avoidance provisions.
- (10) Chapter 7 contains supplementary provision.]

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#### **Textual Amendments**

- F1** Pt. 8A inserted (with effect in accordance with [Sch. 2 paras. 7, 8](#) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 2 para. 1\(1\)](#)

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