

**Changes to legislation:** Income and Corporation Taxes Act 1988, Paragraph 12J is up to date with all changes known to be in force on or before 02 April 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) View outstanding changes

## SCHEDULES

### SCHEDULE 25

#### [<sup>F1</sup>CASES WHERE SECTION 747(3) DOES NOT APPLY]

##### Textual Amendments

- F1** Sch. 25 heading substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 25; S.I. 1998/3173, art. 2

#### [<sup>F1</sup>PART 2B

##### COMPANIES EXPLOITING INTELLECTUAL PROPERTY WITH LIMITED UK CONNECTION

##### Textual Amendments

- F1** Sch. 25 Pts. 2A, 2B (paras. 12B-12N) inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), Sch. 12 para. 3

##### *Intellectual property business*

- 12J (1) The requirement of this paragraph is that C's main business, throughout the accounting period, consists of the exploitation of intellectual property which does not have a relevant UK connection.
- (2) For the purposes of sub-paragraph (1), if any part of C's main business consists of the exploitation of intellectual property which has a relevant UK connection, that part is to be ignored if it is an insignificant part of C's main business.
- (3) Intellectual property has a relevant UK connection if—
- (a) at any time during the accounting period or the 6 years immediately preceding that period, it has been held by a person resident in the United Kingdom, or
  - (b) activities relating to the creation, maintenance or enhancement of the intellectual property (other than activities of an incidental or insignificant nature) have been carried on by a person who for some or all of the period—
    - (i) beginning when the activities were first carried on by the person, and
    - (ii) ending at the end of the accounting period,was related to C and within the charge to United Kingdom tax.]

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act Tax Acts: power to modify conferred by [2004 c. 25 s. 18](#)
- Act Taxes Acts modified by 1970 c. 9, Sch. A1 para. 10(7) (as inserted) by [2017 c. 32 s. 60\(3\)](#)
- Act Taxes Acts modified by 1970 c. 9, s. 8(7) (as inserted) by [2017 c. 32 Sch. 14 para. 3\(15\)](#)
- Act Taxes Acts modified by 1970 c. 9, s. 8A(7) (as inserted) by [2017 c. 32 Sch. 14 para. 4\(12\)](#)
- Act applied (with modifications) by [S.I. 2010/875 reg. 16Sch. 2](#) (This amendment not applied to legislation.gov.uk. S.I. 2010/875 was revoked (27.8.2010) by SI 2010/1906, reg. 2 without having come into force)

**Whole provisions yet to be inserted into this Act (including any effects on those provisions):**

- s. 109A(4B) inserted by [2005 c. 7 Sch. 4 para. 6\(3\)](#) (This amendment not applied to legislation.gov.uk. The amending provision (2005 c. 7, Sch. 4 para. 6) repealed retrospectively by 2005 c. 22, Sch. 6 para. 4(1)(6))
- Sch. 19AB para. 5(5)(a)(b) words substituted by [S.I. 2001/3629 art. 52\(2\)\(n\)](#) (This amendment not applied to legislation.gov.uk. The words to be substituted do not occur in Sch. 19AB para. 5)