



# Finance Act 1998

## 1998 CHAPTER 36

### PART III

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER I

#### INCOME TAX AND CORPORATION TAX

##### *Controlled foreign companies*

#### **112 Exempt activities.**

- (1) Part II of Schedule 25 to the Taxes Act 1988 (exempt activities) shall be amended as follows.
- (2) In paragraph 9 (activities which constitute investment business) for sub-paragraph (1A) (definition of “intellectual property”) there shall be substituted—
  - “(1A) In sub-paragraph (1)(a) above “intellectual property” includes (in particular)  
—
    - (a) any industrial, commercial or scientific information, knowledge or expertise;
    - (b) any patent, trade mark, registered design, copyright or design right;
    - (c) any licence or other right in respect of intellectual property;
    - (d) any rights under the law of a country outside the United Kingdom which correspond or are similar to those falling within paragraph (b) or (c) above.”
- (3) In paragraph 11(1) (activities which constitute wholesale, distributive or financial business) for paragraph (c) (banking or any similar business involving the receipt of deposits, loans or both and the making of loans or investments) there shall be substituted—

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***Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1998, Cross Heading: Controlled foreign companies. (See end of Document for details)*

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- “(c) banking, deposit-taking, money-lending or debt-factoring, or any business similar to banking, deposit-taking, money-lending or debt-factoring;”.
- (4) In consequence of subsection (3) above—
- (a) in paragraph 9(3), for “banking or any similar business” there shall be substituted “business”;
  - (b) in paragraph 11(3), for “banking or other business” there shall be substituted “business”.
- (5) This section has effect in relation to accounting periods of a controlled foreign company, within the meaning of Chapter IV of Part XVII of the Taxes Act 1988, beginning on or after 17th March 1998.

### **113 Miscellaneous amendments.**

Schedule 17 to this Act (which makes provision in relation to controlled foreign companies) shall have effect.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1998, Cross Heading:  
Controlled foreign companies.