



Finance Act 2001

2001 CHAPTER 9

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 2

OTHER PROVISIONS

Chargeable gains

80 Attribution of gains of non-resident companies

- (1) Section 13 of the Taxation of Chargeable Gains Act 1992 (attribution of gains to members of non-resident companies) is amended as follows.
- (2) In subsection (4) (no attribution if amount does not exceed one twentieth of gain) for “one twentieth” substitute “one tenth”.
- (3) In subsection (5) (gains to which the section does not apply) for paragraph (b) substitute—
 - “(b) a chargeable gain accruing on the disposal of an asset used, and used only—
 - (i) for the purposes of a trade carried on by the company wholly outside the United Kingdom, or
 - (ii) for the purposes of the part carried on outside the United Kingdom of a trade carried on by the company partly within and partly outside the United Kingdom.”.
- (4) For subsection (5A) (credit for tax on attributed gain in relation to later distribution) substitute—
 - “(5A) Where—

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2001, Section 80. (See end of Document for details)

- (a) an amount of tax is paid by a person in pursuance of subsection (2) above, and
- (b) an amount in respect of the chargeable gain is distributed (either by way of dividend or distribution of capital or on the dissolution of the company) before the end of the period specified in subsection (5B) below,

the amount of tax (so far as neither reimbursed by the company nor applied as a deduction under subsection (7) below) shall be applied for reducing or extinguishing any liability of that person to income tax, capital gains tax or corporation tax in respect of the distribution.

- (5B) The period referred to in subsection (5A)(b) above is the period of three years from—
- (a) the end of the period of account of the company in which the chargeable gain accrued, or
 - (b) the end of the period of twelve months beginning with the date on which the chargeable gain accrued,
- whichever is earlier.

In paragraph (a) above a “period of account” means a period for which the company makes up its accounts.”

- (5) After subsection (10A) insert—

- “(10B) A chargeable gain that would be treated as accruing to a person under subsection (2) above shall not be so treated if—
- (a) it would be so treated only if assets that are assets of a pension scheme were taken into account in ascertaining that person’s interest as a participator in the company, and
 - (b) at the time the gain accrues a gain arising on a disposal of those assets would be exempt from tax by virtue of section 271(1)(b), (c), (d), (g) or (h) or (2).

In paragraph (a) above “assets of a pension scheme” means assets held for the purposes of a fund or scheme to which any of the provisions mentioned in paragraph (b) above applies.”.

- (6) This section applies to chargeable gains accruing as mentioned in section 13(1) of the Taxation of Chargeable Gains Act 1992 (c. 12) on or after 7th March 2001.

Changes to legislation:

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