Finance Act 2004

2004 CHAPTER 12

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 2

CORPORATION TAX: GENERAL

Expenses of companies with investment business and insurance companies

F1 38 Expenses of management: companies with investment business

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Textual Amendments

F1 S. 38 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F2 39 Accounting period to which expenses of management are referable

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Textual Amendments

F2 S. 39 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[F3]40 Expenses of insurance companies

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Textual Amendments

F3 S. 40 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 247(l)(i)**

[F4]41 Related amendments to other enactments

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Textual Amendments

F4 S. 41 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 247(l)(i)**

42 Commencement of sections 38 to 41

(1) The amendments made by sections 38 to 41 and Schedule 6 have effect for accounting periods beginning on or after 1st April 2004.

(2) This is subject to the transitional provisions in sections 43 and 44 and that Schedule.

43 Companies with investment business: transitional provisions

(1) Any amount which, apart from this subsection, would have fallen to be treated under the old section 75(3) as if it had been disbursed as expenses of management for the first new accounting period of a company shall instead be treated as if it were expenses of management deductible for that period by virtue of the new section 75(9).

(2) To the extent that any amount was deductible under subsection (1) of section 75 for an old accounting period, the amount shall not again be deductible under that subsection for a new accounting period.

(3) Subsection (2) is without prejudice to the old section 75(3) and the new section 75(9) (carry forward of unrelieved excess to later accounting period).

(4) To the extent that an amount—

- (a) was not deductible under section 75(1) by an investment company for any old accounting period, but
- (b) would have been deductible under the new section 75(1) for an old accounting period if the amendments made by sections 38 and 39 and Schedule 6 or any order under section 46 (so far as having effect in relation to the first new accounting period) had been in force in relation to that period,

the amount shall be deductible under section 75(1) for the first new accounting period of the company.

(5) Where there is an accounting period that begins before, and ends on or after, 1st April 2004 ("the commencement date"), it shall be assumed, for the purpose of determining the amounts that are deductible for that period under section 75(1) of the Taxes Act 1988, that that accounting period (the "straddling period") consists of two separate accounting periods—

(a) the first beginning with the straddling period and ending with the day preceding the commencement date, and

(b) the second beginning with the commencement date and ending with the straddling period,

but this is subject to subsection (6).

(6) In the case of an investment company, subsection (5) does not have effect for the purpose of determining the amounts that are deductible for the straddling period under section 75(1) by virtue of—

(a) subsection (3) of the old section 75, or

(b) any provision of the Corporation Tax Acts, apart from section 75 and this section.

(7) Where, for the purposes of section 768B or 768C of the Taxes Act 1988, there is a change in the ownership of a company during the straddling period, then for the purposes of the section in question (and Schedule 28A to that Act), before making any such division as is required by section 768B(4) or 768C(3) of that Act,—

(a) the straddling period shall be divided into two parts in accordance with subsection (5), and

(b) those parts shall be treated in accordance with that subsection as two separate accounting periods, but

(c) subsection (6) shall be disregarded,

and section 768B or 768C of, and Schedule 28A to, the Taxes Act 1988 shall have effect accordingly.

(8) In this section—

"the commencement date" shall be construed in accordance with subsection (5);

"investment company" has the same meaning as in Part 4 of the Taxes Act 1988 (see section 130 of that Act);

"new accounting period" means an accounting period beginning on or after the commencement date;

"old accounting period" means an accounting period beginning before the commencement date;

"the new section 75" means section 75 as it has effect in relation to a new accounting period;

"the old section 75" means section 75 as it has effect (apart from subsection (5) above) in relation to an old accounting period;

"section 75" means section 75 of the Taxes Act 1988.

[F5]44 Insurance companies: transitional provisions

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Textual Amendments

F5 S. 44 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 247(l)(ii)**

Changes to legislation:
There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2004. Any changes that have already been made by the team appear in the content and are referenced with annotations.
View outstanding changes

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:
Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 236ZA inserted by S.I. 2024/357 art. 2(2)