

SCHEDULES

SCHEDULE 15

TAX TREATMENT OF FINANCING COSTS AND INCOME

PART 5

INTRA-GROUP FINANCING INCOME WHERE PAYER DENIED DEDUCTION

Qualifying EEA tax relief for payment in future period

- 44 (1) For the purposes of this Part qualifying EEA tax relief for a payment is not available to the payer in a period after the current period if conditions A and B are met in relation to the payment.
- (2) Condition A is that no deduction calculated by reference to the payment can be taken into account in calculating any profits, income or gains that—
- (a) might arise to the payer in any period after the current period, and
 - (b) would, if they did so arise, be chargeable to any tax of the United Kingdom or an EEA territory for any period after the current period.
- (3) Condition B is that no relief determined by reference to the payment can be given in any period after the current period for the purposes of any tax of the United Kingdom or an EEA territory by—
- (a) the payment of a credit,
 - (b) the elimination or reduction of a tax liability, or
 - (c) any other means of any kind.
- (4) The question whether a deduction can be taken into account as mentioned in sub-paragraph (2) or a relief can be given as mentioned in sub-paragraph (3), is to be determined by reference to the position immediately after the end of the current period.
- (5) Conditions A and B are not met in relation to the payment unless they would be met disregarding a failure to obtain a deduction or relief by virtue of—
- (a) this Schedule, or
 - (b) provision made as a result of double taxation arrangements between any two territories (including provision sanctioned by associated enterprise rules contained in such arrangements).
- (6) For this purpose—
- (a) arrangements are “double taxation arrangements” if they are arrangements made between any two territories with a view to affording relief from double taxation, and
 - (b) “associated enterprise rules” means—

Status: This is the original version (as it was originally enacted).

- (i) rules that, on the passing of this Act, were contained in Article 9 of the Model Tax Convention on Income and on Capital published by the Organisation for Economic Co-operation and Development, or
- (ii) any rules in the same or equivalent terms.