



# Corporation Tax Act 2009

## CHAPTER 4

### CORPORATION TAX ACT 2009

#### PART 1

##### INTRODUCTION

- A1 Overview of the Corporation Tax Acts
- 1 Overview of Act

#### PART 2

##### CHARGE TO CORPORATION TAX: BASIC PROVISIONS

#### CHAPTER 1

##### THE CHARGE TO CORPORATION TAX

###### *Charge to tax on profits*

- 2 Charge to corporation tax
- 3 Exclusion of charge to income tax
- 4 Exclusion of charge to capital gains tax

###### *General scheme of corporation tax*

- 5 Territorial scope of charge
- 5A Arrangements for avoiding tax
- 5B Trade of dealing in or developing UK land
- 6 Profits accruing in fiduciary or representative capacity
- 7 Profits accruing under trusts
- 8 How tax is charged and assessed

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 2

### ACCOUNTING PERIODS

- 9 Beginning of accounting period
- 10 End of accounting period
- 11 Companies with more than one accounting date
- 12 Companies being wound up

## CHAPTER 3

### COMPANY RESIDENCE

- 13 Overview of Chapter
- 14 Companies incorporated in the United Kingdom
- 15 Continuation of residence established under common law
- 16 SEs which transfer registered office to the United Kingdom
- 17 SCEs which transfer registered office to the United Kingdom
- 18 Companies treated as non-UK resident under double taxation arrangements

## CHAPTER 3A

### UK RESIDENT COMPANIES: PROFITS OF FOREIGN PERMANENT ESTABLISHMENTS

#### *Exemption*

- 18A Exemption for profits or losses of foreign permanent establishments
- 18B Chargeable gains etc
- 18C Capital allowances etc
- 18CA Income arising from immovable property
- 18CB Profits and losses from investment business
- 18D Payments subject to deduction
- 18E Employee share acquisitions
- 18F Effect of election

#### *Anti-diversion rule*

- 18G Anti-diversion rule
- 18H What are “diverted profits”?
- 18HA Modification of Chapter 3 of Part 9A of TIOPA 2010
- 18HB Modification of Chapter 4 of Part 9A of TIOPA 2010
- 18HC Modification of Chapter 5 of Part 9A of TIOPA 2010
- 18HD Modification of Chapter 7 of Part 9A of TIOPA 2010
- 18HE Modification of Chapter 9 of Part 9A of TIOPA 2010
- 18I Exemptions from anti-diversion rule
- 18IA The excluded territories exemption
- 18IB The low profits exemption
- 18IC The low profit margin exemption
- 18ID The tax exemption

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Companies with total opening negative amount*

- 18J Companies with total opening negative amount
- 18K Total opening negative amount: “matching”
- 18L Streaming
- 18M Streamed opening negative amounts: “matching”
- 18N Residual opening negative amount: “matching”
- 18O Transfers of foreign permanent establishment business

*Special cases*

- 18P Exclusions
- 18Q Insurance companies

*Interpretation*

- 18R Meaning of “full treaty territory”
- 18S Other interpretation

**CHAPTER 4**

NON-UK RESIDENT COMPANIES: CHARGEABLE PROFITS

*Chargeable profits*

- 19 Chargeable profits
- 20 Profits attributable to permanent establishment: introduction

*The separate enterprise principle*

- 21 The separate enterprise principle
- 22 Transactions treated as being on arm's length terms
- 23 Provision of goods or services for permanent establishment
- 24 Application to insurance companies

*The separate enterprise principle: application to non-UK resident banks*

- 25 Non-UK resident banks: introduction
- 26 Transfer of financial assets
- 27 Loans: attribution of financial assets and profits arising
- 28 Borrowing: permanent establishment acting as agent or intermediary

*Rules about deductions*

- 29 Allowable deductions
- 30 Restriction on deductions: costs
- 31 Restriction on deductions: payments in respect of intangible assets
- 32 Restriction on deductions: interest or other financing costs

**CHAPTER 5**

SUPPLEMENTARY

- 33 Trade includes office

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## PART 3

### TRADING INCOME

#### CHAPTER 1

##### INTRODUCTION

#### 34 Overview of Part

#### CHAPTER 2

##### INCOME TAXED AS TRADE PROFITS

##### *Charge to tax on trade profits*

#### 35 Charge to tax on trade profits

##### *Trades and trade profits*

- 36 Farming and market gardening
- 37 Commercial occupation of woodlands
- 38 Commercial occupation of land other than woodlands
- 39 Profits of mines, quarries and other concerns
- 40 Credit unions
- 40A Payments to company directors
- 40B Professionals in practice: incidental income from an office or employment

##### *Starting and ceasing to trade*

- 41 Effect of company starting or ceasing to be within charge to corporation tax

##### *Trading income and property income*

- 42 Tied premises
- 43 Caravan sites where trade carried on
- 44 Surplus business accommodation
- 45 Payments for wayleaves

#### CHAPTER 3

##### TRADE PROFITS: BASIC RULES

- 46 Generally accepted accounting practice
- 47 Losses calculated on same basis as profits
- 48 Receipts and expenses
- 49 Items treated as receipts and expenses
- 49A Money's worth
- 50 Animals kept for trade purposes
- 51 Relationship between rules prohibiting and allowing deductions
- 52 Apportionment etc of profits and losses to accounting period

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 4

### TRADE PROFITS: RULES RESTRICTING DEDUCTIONS

- 53 Capital expenditure
- 54 Expenses not wholly and exclusively for trade and unconnected losses
- 55 Bad debts
- 56 Car ... hire
- 57 Car ... hire: supplementary
- 58 Hiring cars (but not motor cycles) with low CO2 emissions before 1 April 2013
- 58A Short-term hiring in and long-term hiring out
- 58B Connected persons: application of section 56
- 59 Patent royalties
- 60 Expenditure on integral features
- 60A Rental rebates

## CHAPTER 5

### TRADE PROFITS: RULES ALLOWING DEDUCTIONS

#### *Pre-trading expenses*

- 61 Pre-trading expenses

#### *Tenants under taxed leases*

- 62 Tenants under taxed leases: introduction
- 63 Tenants occupying land for purposes of trade treated as incurring expenses
- 64 Limit on deductions if tenant entitled to mineral extraction allowance
- 65 Tenants dealing with land as property employed for purposes of trade
- 66 Restrictions on section 63 expenses: lease premium receipts
- 67 Restrictions on section 63 expenses: lease of part of premises

...

- 68 Replacement and alteration of trade tools

#### *Payments for restrictive undertakings*

- 69 Payments for restrictive undertakings

#### *Seconded employees*

- 70 Employees seconded to charities and educational establishments
- 71 Educational establishments

#### *Contributions to agents' expenses*

- 72 Payroll deduction schemes: contributions to agents' expenses

#### *Counselling and retraining expenses*

- 73 Counselling and other outplacement services
- 74 Retraining courses

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

75 Retraining courses: recovery of tax

*Redundancy payments etc*

- 76 Redundancy payments and approved contractual payments
- 77 Payments in respect of employment wholly in employer's trade
- 78 Payments in respect of employment in more than one capacity
- 79 Additional payments
- 80 Application of section 79 in cases involving partnerships
- 81 Payments made by the Government

*Contributions to local enterprise organisations or urban regeneration companies*

- 82 Contributions to local enterprise organisations or urban regeneration companies
- 83 Meaning of "local enterprise organisation"
- 84 Approval of local enterprise agencies
- 85 Supplementary provisions with respect to approvals
- 86 Meaning of "urban regeneration company"

*Contributions to flood and coastal erosion risk management projects*

- 86A Contributions to flood and coastal erosion risk management projects
- 86B Interpretation of section 86A

*Scientific research*

- 87 Expenses of research and development
- 88 Payments to research associations, universities etc

*Expenses connected with patents, designs and trade marks*

- 89 Expenses connected with patents
- 90 Expenses connected with designs or trade marks

*Export Credits Guarantee Department*

- 91 Payments to Export Credits Guarantee Department

*Levies under FISMA 2000*

- 92 Levies etc under FISMA 2000

*Limited liability partnerships: salaried members*

- 92A Deductions in relation to salaried members

## CHAPTER 6

### TRADE PROFITS: RECEIPTS

*Capital receipts*

- 93 Capital receipts

*Debts released*

- 94 Debts incurred and later released

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Amounts received following earlier cessation*

- 95 Acquisition of trade: receipts from transferor's trade

*Reverse premiums*

- 96 Reverse premiums  
97 Excluded cases  
98 Tax treatment of reverse premiums  
99 Arrangements not at arm's length  
100 Connected persons and property arrangements

*Other receipts*

- 101 Distribution of assets of mutual concerns  
102 Industrial development grants  
103 Sums recovered under insurance policies etc  
104 Repayments under FISMA 2000

**CHAPTER 6A**

TRADE PROFITS: R&D EXPENDITURE CREDITS

*Claims for credits*

- 104A R&D expenditure credits  
104B Restriction on claiming relief under Part 13 and credit for same expenditure  
104BA Restriction on claiming other tax reliefs

*SMEs: qualifying expenditure on sub-contracted R&D*

- 104C Qualifying expenditure on sub-contracted R&D  
104D Expenditure on sub-contracted R&D undertaken in-house  
104E Expenditure on sub-contracted R&D not undertaken in-house

*SMEs: subsidised qualifying expenditure*

- 104F Subsidised qualifying expenditure  
104G Subsidised qualifying expenditure on in-house direct R&D  
104H Subsidised qualifying expenditure on contracted out R&D

*SMEs: capped R&D expenditure*

- 104I Capped R&D expenditure

*Large companies: qualifying R&D expenditure*

- 104J Qualifying expenditure on in-house direct R&D  
104K Qualifying expenditure on contracted out R&D  
104L Qualifying expenditure on contributions to independent R&D

*Amount of credit*

- 104M Amount of R&D expenditure credit

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Payment of credit*

- 104N Payment of R&D expenditure credit
- 104O Amounts deducted by way of tax adjustment
- 104P Total expenditure on workers
- 104Q Total amount of company's PAYE and NIC liabilities
- 104R Surrender of credit to other group companies
- 104S Restrictions on payment of R&D expenditure credit
- 104T "Going concern"

### *Insurance companies*

- 104U Insurance companies treated as large companies
- 104V Entitlement to credit: I minus E basis

### *Group companies*

- 104W R&D expenditure of group companies

### *Ineligible companies*

- 104WA Ineligible companies

### *Anti-avoidance*

- 104X Artificially inflated claims for credit

### *Interpretation*

- 104Y Interpretation

## **CHAPTER 7**

### TRADE PROFITS: GIFTS TO CHARITIES ETC

#### *Relief for certain gifts*

- 105 Gifts of trading stock to charities etc
- 106 Meaning of "designated educational establishment"
- 107 Gifts of medical supplies and equipment

#### *Benefits associated with gifts*

- 108 Receipt of benefits by donor or connected person

## **CHAPTER 8**

### TRADE PROFITS: HERD BASIS RULES

#### *Introduction*

- 109 Election for application of herd basis rules
- 110 Meaning of "animal", "herd", "production herd" etc
- 111 Other interpretative provisions

#### *The herd basis rules*

- 112 Initial cost of herd and value of herd



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 113 Addition of animals to herd
- 114 Replacement of animals in herd
- 115 Amount of receipt if old animal slaughtered under disease control order
- 116 Sale of animals from herd
- 117 Sale of whole or substantial part of herd
- 118 Acquisition of new herd begun within 5 years of sale
- 119 Section 118: sale for reasons outside farmer's control
- 120 Replacement of part sold begun within 5 years of sale
- 121 Section 120: sale for reasons outside farmer's control

#### *Elections*

- 122 Herd basis elections
- 123 Five year gap in which no production herd kept
- 124 Slaughter under disease control order

#### *Preventing abuse of the herd basis rules*

- 125 Preventing abuse of the herd basis rules

#### *Supplementary*

- 126 Information if election made
- 127 Further assessment etc if herd basis rules apply

### **CHAPTER 8A**

#### **COMPENSATION FOR COMPULSORY SLAUGHTER OF ANIMALS**

- 127A Application of Chapter 8A
- 127B Right to make claim
- 127C Book value
- 127D Effect of claim for spreading of profits
- 127E Adjustment: cessation of trading
- 127F Time limits etc for spreading claim
- 127G Interpretation

### **CHAPTER 9**

#### **TRADE PROFITS: OTHER SPECIFIC TRADES**

##### *Dealers in securities etc*

- 128 Taxation of amounts taken to reserves
- 129 Conversion etc of securities held as circulating capital

##### *Insurers*

- 130 Insurers receiving distributions etc

##### *Building societies*

- 131 Incidental costs of issuing qualifying shares

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Registered societies*

- 132 Dividends etc granted by registered societies

*Credit unions*

- 133 Annual payments paid by a credit union

*Banking companies*

- 133A Compensation payments: restriction of deductions
- 133B Companies affected by section 133A: amounts treated as received
- 133C The disclosure condition
- 133D Excluded expenses
- 133E Meaning of “banking company”
- 133F “Excluded company”
- 133G Meaning of “relevant regulated activity”
- 133H Investment bank
- 133I Meaning of “insurance company”
- 133J Meaning of “customer”
- 133K “Compensation” and related expressions
- 133L Associated companies
- 133M Application of sections 133A and 133B in relation to corporate partner
- 133N Powers to amend

*Dealers in land etc*

- 134 Purchase or sale of woodlands
- 135 Relief in respect of mineral royalties
- 136 Lease premiums etc: reduction of receipts

*Mineral exploration and access*

- 137 Mineral exploration and access

*Companies liable to pool betting duty*

- 138 Payments by companies liable to pool betting duty

*Intermediaries treated as making employment payments*

- 139 Deduction for deemed employment payment
- 140 Special rules for partnerships

*Managed service companies*

- 141 Deduction for deemed employment payments

*Worker's services provided through intermediary to public authority or medium or large client*

- 141A Intermediaries providing worker's services to public authority or medium or large client

*Waste disposal*

- 142 Deduction for site preparation expenditure
- 143 Allocation of site preparation expenditure
- 144 Site preparation expenditure: supplementary

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

145 Site restoration payments

*Cemeteries and crematoria: interests in land*

- 146 Cemeteries and crematoria: introduction
- 147 Deduction for capital expenditure
- 148 Allocation of ancillary capital expenditure
- 149 Exclusion of expenditure met by subsidies

*Crematoria: niches, memorials and inscriptions*

- 149A Niches, memorials and inscriptions: introduction
- 149B Allowable deductions: niches
- 149C Allowable deductions: memorials
- 149D Allowable deductions: inscriptions
- 149E Costs of the building

*Sound recordings*

- 150 Revenue nature of expenditure
- 151 Allocation of expenditure
- 152 Interpretation of sections 150 and 151

*Reserves of marketing authorities etc*

- 153 Reserves of marketing authorities and certain other statutory bodies
- 154 Conditions to be met by reserve fund
- 155 Interpretation of sections 153 and 154

## CHAPTER 10

### TRADE PROFITS: CHANGES IN TRADING STOCK

*Introduction*

- 156 Meaning of “trading stock”

*Transfers of trading stock between trade and trader*

- 157 Trading stock appropriated by trader
- 158 Trading stock supplied by trader

*Other disposals and acquisitions not made in the course of trade*

- 159 Disposals not made in the course of trade
- 160 Acquisitions not made in the course of trade

*Relationship with transfer pricing rules*

- 161 Transfer pricing rules to take precedence

## CHAPTER 11

### TRADE PROFITS: VALUATION OF STOCK ON CESSATION OF TRADE

- 162 Valuation of trading stock on cessation
- 163 Meaning of “trading stock”

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 164 Basis of valuation of trading stock
- 165 Sale basis of valuation: sale to unconnected person
- 166 Sale basis of valuation: sale to connected person
- 167 Sale basis of valuation: election by connected persons
- 168 Connected persons
- 169 Cost to buyer of stock valued on sale basis of valuation
- 170 Meaning of “sale” and related expressions
- 171 Determination of questions

## CHAPTER 12

### DEDUCTIONS FROM PROFITS: UNREMITTABLE AMOUNTS

- 172 Application of Chapter
- 173 Relief for unremittable amounts
- 174 Restrictions on relief
- 175 Withdrawal of relief

## CHAPTER 13

### DISPOSAL AND ACQUISITION OF KNOW-HOW

- 176 Meaning of “know-how” etc
- 177 Disposal of know-how if trade continues to be carried on
- 178 Disposal of know-how as part of disposal of all or part of a trade
- 179 Seller controlled by buyer etc

## CHAPTER 14

### ADJUSTMENT ON CHANGE OF BASIS

#### *Adjustment on change of basis*

- 180 Application of Chapter
- 181 Giving effect to positive and negative adjustments
- 182 Calculation of the adjustment

#### *Expenses previously brought into account*

- 183 No adjustment for certain expenses previously brought into account

#### *Realising or writing off assets*

- 184 Cases where adjustment not required until assets realised or written off

#### *Mark to market*

- 185 Change from realisation basis to mark to market
- 186 Election for spreading if section 185 applies
- 187 Transfer of insurance business

## CHAPTER 15

### POST-CESSATION RECEIPTS

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Charge to tax on post-cessation receipts*

- 188 Charge to tax on post-cessation receipts
- 189 Extent of charge to tax

*Meaning of “post-cessation receipts”*

- 190 Basic meaning of “post-cessation receipt”
- 191 Other rules about what counts as post-cessation receipts

*Sums treated as post-cessation receipts*

- 192 Debts paid after cessation
- 193 Debts released after cessation
- 194 Transfer of rights if transferee does not carry on trade

*Sums that are not post-cessation receipts*

- 195 Transfer of trading stock

*Deductions*

- 196 Allowable deductions
- 197 Further rules about allowable deductions

*Election to carry back*

- 198 Election to carry back
- 199 Deductions already made are not displaced
- 200 Election given effect in accounting period in which receipt is received

**CHAPTER 16**

**PRIORITY RULES**

- 201 Provisions which must be given priority over this Part

**PART 4**

**PROPERTY INCOME**

**CHAPTER 1**

**INTRODUCTION**

- 202 Overview of Part

**CHAPTER 2**

**PROPERTY BUSINESSES**

*Introduction*

- 203 Overview of Chapter
- 204 Meaning of “property business”

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Basic meaning of UK and overseas property business*

- 205 UK property business
- 206 Overseas property business

### *Generating income from land*

- 207 Meaning of “generating income from land”
- 208 Activities not for generating income from land

## **CHAPTER 3**

### **PROFITS OF PROPERTY BUSINESSES: BASIC RULES**

#### *Charge to tax on profits of a property business*

- 209 Charge to tax on profits of a property business

#### *Calculation of profits*

- 210 Profits of a property business: application of trading income rules
- 211 Loan relationships and derivative contracts
- 212 Items treated as receipts and expenses
- 213 Certain amounts brought into account under Part 3
- 214 Relationship between rules prohibiting and allowing deductions

## **CHAPTER 4**

### **PROFITS OF PROPERTY BUSINESSES: LEASE PREMIUMS ETC**

#### *Introduction*

- 215 Overview of Chapter
- 216 Meaning of “short-term lease”

#### *Amounts treated as receipts: leases*

- 217 Lease premiums
- 218 Amount treated as lease premium where work required
- 219 Sums payable instead of rent
- 220 Sums payable for surrender of lease
- 221 Sums payable for variation or waiver of terms of lease
- 221A Sums to which sections 217 to 221 do not apply
- 222 Assignments for profit of lease granted at undervalue
- 223 Provisions supplementary to section 222

#### *Other amounts treated as receipts*

- 224 Sales with right to reconveyance
- 225 Sale and leaseback transactions
- 226 Provisions supplementary to sections 224 and 225

#### *Additional calculation rule for reducing certain receipts*

- 227 Circumstances in which additional calculation rule applies
- 228 The additional calculation rule
- 229 The additional calculation rule: special cases

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

230 Meaning of “unused amount” and “unreduced amount”

*Deductions in relation to certain receipts*

- 231 Deductions for expenses under section 232
- 232 Tenants under taxed leases treated as incurring expenses
- 233 Restrictions on section 232 expenses: the additional calculation rule
- 234 Restrictions on section 232 expenses: lease of part of premises

*Limit on effect of additional calculation rule and deductions*

- 235 Limit on reductions and deductions

*Certain administrative provisions*

- 236 Payment of tax by instalments
- 237 Statement of accuracy for purposes of section 222
- 238 Claim for repayment of tax payable by virtue of section 224
- 239 Claim for repayment of tax payable by virtue of section 225

*Determinations affecting liability of more than one person*

- 240 Appeals against proposed determinations
- 241 Section 240: supplementary
- 242 Determination by tribunal

*Effective duration of lease*

- 243 Rules for determining effective duration of lease
- 244 Applying the rules in section 243
- 245 Information about effective duration of lease

*Other interpretative provisions*

- 246 Provisions about premiums
- 247 Interpretation

## CHAPTER 5

### PROFITS OF PROPERTY BUSINESSES: OTHER RULES ABOUT RECEIPTS AND DEDUCTIONS

*Furnished accommodation: receipts and deductions*

- 248 Furnished lettings

...

- 248A Wear and tear allowance: election
- 248B Meaning of “eligible” in relation to a dwelling-house
- 248C Effect of wear and tear allowance election

*Treatment of receipts on acquisition of business*

- 249 Acquisition of business: receipts from transferor's UK property business

*Reverse premiums as receipts*

- 250 Reverse premiums

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Deduction for replacement of domestic items*

250A Replacement domestic items relief

*Deductions for expenditure on energy-saving items*

251 Deduction for expenditure on energy-saving items  
252 Restrictions on relief  
253 Regulations

*Deductions for expenditure on sea walls*

254 Deduction for expenditure on sea walls  
255 Transfer of interest in premises  
256 Ending of lease of premises  
257 Transfer involving person within the charge to income tax

*Mineral royalties*

258 Relief in respect of mineral royalties

*Apportionments on sale of land*

259 Nature of item apportioned on sale of estate or interest in land

*Mutual business*

260 Mutual business

*Adjustment on change of basis*

261 Adjustment on change of basis  
262 Giving effect to positive and negative adjustments

*Integral features*

263 Expenditure on integral features

**CHAPTER 6**

COMMERCIAL LETTING OF FURNISHED HOLIDAY ACCOMMODATION

*Introduction*

264 Overview of Chapter

*Definition*

265 Meaning of “commercial letting of furnished holiday accommodation”  
266 Meaning of “relevant period” in sections 267 and 268  
267 Meaning of “qualifying holiday accommodation”  
268 Under-used holiday accommodation: averaging elections  
268A Under-used holiday accommodation: letting condition not met

*Separate profit calculations*

269 Capital allowances and loss relief: UK property business  
269A Capital allowances and loss relief: overseas property business



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 7

### RENT RECEIVABLE IN CONNECTION WITH A UK SECTION 39(4) CONCERN

#### *Charge to tax on rent receivable in connection with a UK section 39(4) concern*

- 270 Charge to tax on rent receivable in connection with a UK section 39(4) concern
- 271 Meaning of “rent receivable in connection with a UK section 39(4) concern”

#### *Management expenses of owner of mineral rights*

- 272 Deduction for management expenses of owner of mineral rights

#### *Mineral royalties*

- 273 Relief in respect of mineral royalties
- 274 Meaning of “mineral lease or agreement” and “mineral royalties”
- 275 Extended meaning of “mineral royalties” etc in Northern Ireland
- 276 Power to determine what counts as “mineral royalties”

## CHAPTER 8

### RENT RECEIVABLE FOR UK ELECTRIC-LINE WAYLEAVES

#### *Charge to tax on rent receivable for UK electric-line wayleaves*

- 277 Charge to tax on rent receivable for a UK electric-line wayleave
- 278 Meaning of “rent receivable for a UK electric-line wayleave”
- 279 Extent of charge to tax

## CHAPTER 9

### POST-CESSATION RECEIPTS

#### *Charge to tax on post-cessation receipts*

- 280 Charge to tax on post-cessation receipts
- 281 Extent of charge to tax

#### *Meaning of “post-cessation receipts”*

- 282 Basic meaning of “post-cessation receipt”
- 283 Other rules about what counts as a “post-cessation receipt”
- 284 Transfer of rights if transferee does not carry on UK property business

#### *Deductions*

- 285 Allowable deductions

#### *Election to carry back*

- 286 Election to carry back

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 10

### SUPPLEMENTARY

#### *Priority rules*

- 287 Provisions which must be given priority over this Part
- 288 Priority between Chapters within this Part

#### *Other supplementary provisions*

- 289 Effect of company starting or ceasing to be within charge to corporation tax
- 290 Overseas property businesses and overseas land: adaptation of rules
- 291 Meaning of “lease” and “premises”

## PART 5

### LOAN RELATIONSHIPS

## CHAPTER 1

### INTRODUCTION

#### *Introduction*

- 292 Overview of Part
- 293 Construction of references to profits or losses from loan relationships
- 294 Matters treated as loan relationships

#### *How profits and deficits from loan relationships are dealt with*

- 295 General rule: profits arising from loan relationships chargeable as income
- 296 Profits and deficits to be calculated using credits and debits given by this Part
- 297 Trading credits and debits to be brought into account under Part 3
- 298 Meaning of trade and purposes of trade
- 299 Charge to tax on non-trading profits
- 300 Method of bringing non-trading deficits into account
- 301 Calculation of non-trading profits and deficits from loan relationships: non-trading credits and debits

## CHAPTER 2

### BASIC DEFINITIONS

- 302 “Loan relationship”, “creditor relationship”, “debtor relationship”
- 303 “Money debt”
- 304 “Related transaction”
- 305 Payments, interest, rights and liabilities under a loan relationship

## CHAPTER 3

### THE CREDITS AND DEBITS TO BE BROUGHT INTO ACCOUNT: GENERAL

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## *Introduction*

### 306 Overview of Chapter

*Matters in respect of which amounts are to be brought into account*

#### 306A Matters in respect of which amounts to be brought into account

*General principles about the bringing into account of credits and debits*

#### 307 General principles about the bringing into account of credits and debits

*Amounts recognised in determining a company's profit or loss*

#### 308 Amounts recognised in determining a company's profit or loss

#### 309 Companies without GAAP-compliant accounts

#### 310 Power to make regulations about recognised amounts

#### 311 Amounts not fully recognised for accounting purposes: introduction

#### 312 Determination of credits and debits where amounts not fully recognised

## *Accounting bases*

#### 313 Basis of accounting: “amortised cost basis”, “fair value accounting” and “fair value”

#### 314 Power to make regulations about changes from amortised cost basis

## *Adjustments on change of accounting basis*

#### 315 Introduction to sections 316 and 318

#### 316 Change of basis of accounting involving change of value

#### 317 Carrying value

#### 318 Change of accounting basis following cessation of loan relationship

#### 319 General power to make regulations about changes in accounting policy

## *Rules differing from generally accepted accounting practice*

#### 320 Credits and debits treated as relating to capital expenditure

#### 320A Amounts recognised in other comprehensive income and not transferred to profit or loss

#### 320B Hybrid capital instruments: amounts recognised in equity

#### 321 Credits and debits recognised in equity

#### 321A Restriction on debits resulting from release of loans to participators etc

#### 322 Release of debts: cases where credits not required to be brought into account

#### 323 Meaning of expressions relating to insolvency etc

#### 323A Substantial modification: cases where credits not required to be brought into account

#### 324 Restriction on debits resulting from revaluation

#### 325 Restriction on credits resulting from reversal of disallowed debits

#### 326 Writing off government investments

#### 327 Disallowance of imported losses etc

## *Exchange gains and losses*

#### 328 Exchange gains and losses

#### 328A Arrangements that have a “one-way exchange effect”

#### 328B Meaning of “relevant exchange gain” and “relevant exchange loss”

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 328C Meaning of “test day”
- 328D Counterfactual currency movement assumptions
- 328E Counterfactual currency movement assumptions: treatment of options
- 328F Meaning of “option”
- 328G Meaning of “relevant contingent contract” and “operative condition”
- 328H Other interpretative provisions

*Pre-loan relationship, abortive and pre-trading expenses*

- 329 Pre-loan relationship and abortive expenses
- 330 Debits in respect of pre-trading expenditure

*Pre-commencement debits of property businesses etc of non-UK resident companies*

- 330ZA Debits referable to times before UK property business etc carried on

*Company is not, or has ceased to be, party to loan relationship*

- 330A Company is not, or has ceased to be, party to loan relationship
- 330B Exclusion of debit where relief allowed to another
- 330C Avoidance of double charge

*Company ceasing to be party to loan relationship*

- 331 Company ceasing to be party to loan relationship
- 332 Repo, stock lending and other transactions

*Company moving abroad*

- 333 Company ceasing to be UK resident
- 334 Non-UK resident company ceasing to hold loan relationship for section 333(2) purposes

## CHAPTER 4

### CONTINUITY OF TREATMENT ON TRANSFERS WITHIN GROUPS OR ON REORGANISATIONS

*Application of this Chapter*

- 335 Introduction to Chapter
- 336 Transfers of loans on group transactions
- 337 Transfers of loans on insurance business transfers
- 338 Meaning of company replacing another as party to loan relationship
- 339 Issues of new securities on certain cross-border reorganisations

*Continuity of treatment: transfer of loan at notional carrying value*

- 340 Group transfers and transfers of insurance business: transfer at notional carrying value
- 341 Transferor using fair value accounting
- 342 Issues of new securities on reorganisations: disposal at notional carrying value
- 343 Receiving company using fair value accounting

*Transferee leaving group after replacing transferor as party to loan relationship*

- 344 Introduction

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 345 Transferee leaving group otherwise than because of exempt distribution
- 346 Transferee leaving group because of exempt distribution

*Disapplication of Chapter where transferor party to avoidance*

- 347 Disapplication of Chapter where transferor party to avoidance

## CHAPTER 5

### CONNECTED COMPANIES RELATIONSHIPS: INTRODUCTION AND GENERAL

- 348 Introduction: meaning of “connected companies relationship”
- 349 Application of amortised cost basis to connected companies relationships
- 350 Companies beginning to be connected
- 351 Companies ceasing to be connected
- 352 Disregard of related transactions
- 352A Exclusion of credits on reversal of disregarded loss
- 352B Eliminating tax mismatch for loan relationships with qualifying link

## CHAPTER 6

### CONNECTED COMPANIES RELATIONSHIPS: IMPAIRMENT LOSSES AND RELEASES OF DEBTS

#### *Introduction*

- 353 Introduction to Chapter

*Exclusion of debits for impaired or released connected companies debts*

- 354 Exclusion of debits for impaired or released connected companies debts
- 355 Cessation of connection
- 356 Exception to section 354: swapping debt for equity
- 357 Exception to section 354: insolvent creditors

*Exclusion of credits for connected companies debts on release or reversal of impairments*

- 358 Exclusion of credits on release of connected companies debts: general
- 359 Exclusion of credits on release of connected companies debts during creditor's insolvency
- 360 Exclusion of credits on reversal of impairments of connected companies debts

*Deemed debt releases on impaired debts becoming held by connected company*

- 361 Acquisition of creditor rights by connected company at undervalue
- 361A The corporate rescue exception
- 361B The debt-for-debt exception
- 361C The equity-for-debt exception
- 361D Corporate rescue: debt released shortly after acquisition
- 362 Parties becoming connected where creditor's rights subject to impairment adjustment etc
- 362A Corporate rescue: debt released shortly after connection arises
- 363 Companies connected for sections 361 to 362A
- 363A Arrangements for avoiding section 361 or 362

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 7

### GROUP RELIEF CLAIMS INVOLVING IMPAIRED OR RELEASED CONSORTIUM DEBTS

- 364 Introduction to Chapter
- 365 Reduction of impairment loss debits where group relief claimed
- 366 Effect where credit for release brought into account on amortised cost basis
- 367 Reduction of credits exceeding impairment losses
- 368 Reduction of claims where there are earlier net consortium debits
- 369 Carry forward of claims where there are no net consortium debits
- 370 Group accounting periods
- 371 Interpretation

## CHAPTER 8

### CONNECTED PARTIES RELATIONSHIPS: LATE INTEREST

- 372 Introduction to Chapter
- 373 Late interest treated as not accruing until paid in some cases
- 374 Connection between debtor and person standing in position of creditor
- 375 Loans to close companies by participators etc
- 376 Interpretation of section 375
- 377 Party to loan relationship having major interest in other party
- 378 Loans by trustees of occupational pension schemes
- 379 Persons indirectly standing in the position of creditor

## CHAPTER 9

### PARTNERSHIPS INVOLVING COMPANIES

- 380 Partnerships involving companies
- 381 Determinations of credits and debits by company partners: general
- 382 Company partners using fair value accounting
- 383 Lending between partners and the partnership
- 384 Treatment of exchange gains and losses
- 385 Company partners' shares where firm owns deeply discounted securities

## CHAPTER 10

### INSURANCE COMPANIES

#### *Introduction*

- 386 Overview of Chapter
- Treatment of deficit on basic life assurance and general annuity business*
- 387 Treatment of deficit on basic life assurance and general annuity business: introduction
- 388 Basic rule: deficit set off against income and gains of deficit period
- 389 Claim to carry back deficit
- 390 Meaning of “available profits”
- 391 Carry forward of surplus deficit to next accounting period

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Exclusion of loan relationships of members of Lloyd's*

392 Exclusion of loan relationships of members of Lloyd's

...

393 General rules for some debtor relationships

394 Special rules for some debtor relationships

**CHAPTER 11**

OTHER SPECIAL KINDS OF COMPANY

*Investment trusts' and venture capital trusts' creditor relationships*

395 Investment trusts: profits or losses of a capital nature

396 Venture capital trusts: profits or losses of a capital nature

*Credit unions*

397 Credit unions

**CHAPTER 12**

SPECIAL RULES FOR PARTICULAR KINDS OF SECURITIES

*Introduction*

398 Overview of Chapter

*Index-linked gilt-edged securities*

399 Basic rules

400 Adjustments for changes in index

400A Adjustments for changes in index: relevant hedging schemes

400B Interpretation of section 400A: economic profits and losses

400C Meaning of "associated with"

*Other gilt-edged securities*

401 Gilt strips

402 Market value of securities

403 Meaning of "strip"

404 Restriction on deductions etc relating to FOTRA securities

405 Certain non-UK residents with interest on 3½% War Loan 1952 Or After

*Deeply discounted securities: connected companies and close companies*

406 Introduction

407 Postponement until redemption of debits for connected companies' deeply discounted securities

408 Companies connected for section 407

409 Postponement until redemption of debits for close companies' deeply discounted securities

410 Exceptions to section 409

411 Interpretation of section 409

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## 412 Persons indirectly standing in the position of creditor

### *Funding bonds*

## 413 Issue of funding bonds

## 414 Redemption of funding bonds

### *Derivatives*

## 415 Loan relationships with embedded derivatives

## 416 Election for application of sections 415 and 585

## 417 Further provisions about elections under section 416

## 418 Loan relationships involving connected debtor and creditor where debits exceed credits

## 418A Cases involving host contract

## 419 Section 418: supplementary

### *Options etc*

## 420 Assumptions where options etc apply

### *Hybrid capital instruments*

## 420A Amounts payable in respect of hybrid capital instruments

## **CHAPTER 13**

### EUROPEAN CROSS-BORDER TRANSFERS OF BUSINESS

#### *Introduction*

## 421 Introduction to Chapter

#### *Transfers of loan relationships at notional carrying value*

## 422 Transfer of loan relationship at notional carrying value

## 423 Transferor using fair value accounting

## 424 Reorganisations involving loan relationships

## 425 Original holder using fair value accounting

#### *Exception for tax avoidance cases*

## 426 Tax avoidance etc

## 427 Procedure on application for clearance

## 428 Decision on application for clearance

#### *Transparent entities*

## 429 Disapplication of Chapter where transparent entities involved

#### *Interpretation*

## 430 Interpretation

## **CHAPTER 14**

### EUROPEAN CROSS-BORDER MERGERS



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Introduction*

- 431 Introduction to Chapter
- 432 Meaning of “the transferee” and “transferor”

### *Transfers of loan relationships at notional carrying value*

- 433 Transfer of loan relationship at notional carrying value
- 434 Transferor using fair value accounting
- 435 Reorganisations involving loan relationships
- 436 Original holder using fair value accounting

### *Exception for tax avoidance cases*

- 437 Tax avoidance etc

### *Transparent entities*

- 438 Disapplication of Chapter where transparent entities involved

### *Interpretation*

- 439 Interpretation

## **CHAPTER 15**

### **TAX AVOIDANCE**

### *Introduction*

- 440 Overview of Chapter

### *Unallowable purposes and tax relief schemes*

- 441 Loan relationships for unallowable purposes
- 442 Meaning of “unallowable purpose”
- 443 Restriction of relief for interest where tax relief schemes involved

### *Transactions not at arm's length: general*

- 444 Transactions not at arm's length: general
- 445 Disapplication of section 444 where Part 4 of TIOPA 2010 applies
- 446 Bringing into account adjustments made under Part 4 of TIOPA 2010

### *Non-market loans*

- 446A Non-market loans

### *Transactions not at arm's length: exchange gains and losses*

- 447 Exchange gains and losses on debtor relationships: loans disregarded under Part 4 of TIOPA 2010
- 448 Exchange gains and losses on debtor relationships: equity notes where holder associated with issuer
- 449 Exchange gains and losses on creditor relationships: no corresponding debtor relationship
- 450 Meaning of “corresponding debtor relationship”
- 451 Exception to section 449 where loan exceeds arm's length amount

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

452 Exchange gains and losses where loan not on arm's length terms

*Connected parties deriving benefit from creditor relationships*

453 Connected parties deriving benefit from creditor relationships

*Tax advantages from resetting interest rates ("reset bonds")*

454 Application of fair value accounting: reset bonds etc

*Disposals for consideration not fully recognised by accounting practice*

455 Disposals for consideration not fully recognised by accounting practice

*Derecognition*

455A Debits arising from derecognition of creditor relationships

*Counteracting avoidance arrangements*

455B Counteracting effect of avoidance arrangements

455C Interpretation of section 455B

455D Examples of results that may indicate exclusion not applicable

## CHAPTER 16

### NON-TRADING DEFICITS: PRE-1 APRIL 2017 DEFICITS AND CHARITIES

456 Introduction to Chapter

457 Basic rule for deficits: carry forward to accounting periods after deficit period

458 Claim to carry forward deficit to later accounting periods

459 Claim to set off deficit against profits of deficit period or earlier periods

460 Time limits and procedure for claims under section 459(1)

461 Claim to set off deficit against other profits for the deficit period

462 Claim to carry back deficit to earlier accounting periods

463 Profits available for relief under section 462

## CHAPTER 16A

### NON-TRADING DEFICITS: POST 1 APRIL 2017 DEFICITS

463A Introduction to Chapter

463B Claim to set off deficit against profits of deficit period or earlier periods

463C Time limits for claims under section 463B(1)

463D Claim to set off deficit against profits for the deficit period

463E Claim to carry back deficit to earlier periods

463F Profits available for relief under section 463E

463G Carry forward of unrelieved deficit against total profits

463H Carry forward of unrelieved deficit against non-trading profits

463I Re-application of section 463G if any deficit remains after previous application

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 17

### PRIORITY RULES

- 464 Priority of this Part for corporation tax purposes
- 465 Exclusion of distributions except in tax avoidance cases

## CHAPTER 18

### GENERAL AND SUPPLEMENTARY PROVISIONS

#### *Changes in accounting standards*

- 465A Power to make regulations where accounting standards change

#### *Tax-adjusted carrying value*

- 465B “Tax-adjusted carrying value”

#### *Connections between persons*

- 466 Companies connected for an accounting period
- 467 Connections where partnerships are involved
- 468 Connection between companies to be ignored in some circumstances
- 469 Creditors who are financial traders
- 470 Section 469: supplementary provisions
- 471 Creditors who are insurance companies carrying on BLAGAB
- 472 Meaning of “control”
- 473 Meaning of “major interest”
- 474 Treatment of connected companies and partnerships for section 473
- 475 Meaning of expressions relating to exchange gains and losses

#### *Meaning of “hedging relationship”*

- 475A “Hedging relationship”

#### *Meaning of “matched”*

- 475B Meaning of “matched”

#### *Meaning of “hybrid capital instrument”*

- 475C Meaning of “hybrid capital instrument”

#### *Other general definitions*

- 476 Other definitions

## PART 6

### RELATIONSHIPS TREATED AS LOAN RELATIONSHIPS ETC

## CHAPTER 1

### INTRODUCTION

- 477 Overview of Part

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 2

### RELEVANT NON-LENDING RELATIONSHIPS

#### *Introduction: meaning of “relevant non-lending relationship” etc*

- 478 Relevant non-lending relationships: introduction
- 479 Relevant non-lending relationships not involving discounts
- 480 Relevant non-lending relationships involving discounts

#### *Application of Part 5 to relevant non-lending relationships*

- 481 Application of Part 5 to relevant non-lending relationships
- 482 Miscellaneous rules about amounts to be brought into account because of this Chapter

#### *Meaning of “money debt” and “interest” in this Chapter*

- 483 Exchange gains and losses: amounts treated as money debts
- 484 Provision not at arm's length: meaning of “interest” and “money debt”

#### *Exclusions*

- 485 Exclusion of debts where profits or losses within Part 7 or 8
- 486 Exclusion of exchange gains and losses in respect of tax debts etc

## CHAPTER 2A

### DISGUISED INTEREST

- 486A Overview
- 486B Disguised interest to be regarded as profit from loan relationship
- 486C Exclusion where return otherwise taxable
- 486D Exclusion where arrangement has no tax avoidance purpose
- 486E Excluded shares

## CHAPTER 2B

### TRANSFERRED INCOME STREAMS

- 486F Introduction to Chapter
- 486G Consideration to be treated as loan relationship

## CHAPTER 3

### OEICS, UNIT TRUSTS AND OFFSHORE FUNDS

#### *Introduction*

- 487 Overview of Chapter
- 488 Meaning of “open-ended investment company” etc
- 489 Meaning of “offshore fund” etc

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Holdings in OEICs, unit trusts and offshore funds treated as creditor relationship rights*

- 490 Holdings in OEICs, unit trusts and offshore funds treated as creditor relationship rights
- 491 Holding coming within section 490: opening valuations
- 492 Holding coming within section 490: calculation to undo avoidance

*The qualifying investments test*

- 493 The qualifying investments test
- 494 Meaning of “qualifying investments”
- 495 Qualifying holdings
- 496 Meaning of “hedging relationship”

*Power to change investments that are qualifying investments*

- 497 Power to change investments that are qualifying investments

**CHAPTER 4**

BUILDING SOCIETIES

- 498 Building society dividends and interest

**CHAPTER 5**

REGISTERED SOCIETIES

- 499 Registered society payments treated as interest under loan relationship
- 500 Exclusion of interest where failure to make return

**CHAPTER 6**

ALTERNATIVE FINANCE ARRANGEMENTS

*Introduction*

- 501 Introduction to Chapter
- 502 Meaning of “financial institution”

*Arrangements that are alternative finance arrangements*

- 503 Purchase and resale arrangements
- 504 Diminishing shared ownership arrangements
- 505 Deposit arrangements
- 506 Profit share agency arrangements
- 507 Investment bond arrangements
- 508 Provision not at arm's length: exclusion of arrangements from sections 503 to 507

*Treatment as loan relationships*

- 509 Application of Part 5: general
- 510 Application of Part 5 to particular alternative finance arrangements

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Meaning of “alternative finance return”*

- 511 Purchase and resale arrangements
- 512 Diminishing shared ownership arrangements
- 513 Other arrangements

### *Treatment for other tax purposes*

- 514 Exclusion of alternative finance return from consideration for sale of assets
- 515 Diminishing shared ownership arrangements not partnerships
- 516 Treatment of principal under profit sharing agency arrangements
- 517 Treatment of bond-holder under investment bond arrangements
- 518 Investment bond arrangements: treatment as securities
- 519 Investment bond arrangements: other provisions
- 520 Provision not at arm's length: non-deductibility of relevant return

### *Power to extend this Chapter to other arrangements*

- 521 Power to extend this Chapter to other arrangements

## **CHAPTER 6A**

### **SHARES ACCOUNTED FOR AS LIABILITIES**

- 521A Introduction to Chapter
- 521B Application of Part 5 to certain shares as rights under creditor relationship
- 521C Shares accounted for as liabilities
- 521D Excepted shares
- 521E Unallowable purpose
- 521F Shares becoming or ceasing to be shares to which section 521B applies

## **CHAPTER 7**

### **SHARES WITH GUARANTEED RETURNS ETC**

#### *Application of Part 5 to certain shares as rights under creditor relationship*

- 522 Introduction to Chapter
- 523 Application of Part 5 to certain shares as rights under creditor relationship

#### *Shares subject to outstanding third party obligations*

- 524 Shares subject to outstanding third party obligations
- 525 Meaning of “interest-like investment”

#### *Non-qualifying shares*

- 526 Non-qualifying shares
- 527 The increasing value condition
- 528 Regulations about income-producing assets
- 529 The redemption return condition
- 530 The redemption return condition: excepted shares
- 531 The redemption return condition: unallowable purposes

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 532 The associated transactions condition
- 533 Power to change conditions for non-qualifying shares

*Consequences of section 523 applying or ceasing to apply*

- 534 Amounts to be brought into account where section 523 applies
- 535 Shares ceasing to be shares to which section 523 applies

## CHAPTER 8

- 536 Introduction to Chapter
- 537 Payments in return for capital contribution to partnership
- 538 Change of partnership shares

## CHAPTER 9

### MANUFACTURED INTEREST ETC

- 539 Introduction to Chapter
- 540 Manufactured interest treated as interest under loan relationship
- 541 Debits for deemed interest under stock lending arrangements disallowed

## CHAPTER 10

### REPOS

#### *Introduction*

- 542 Introduction to Chapter

#### *Creditor repos and creditor quasi-repos*

- 543 Meaning of creditor repo
- 544 Meaning of creditor quasi-repo
- 545 Ignoring effect on lender etc of sale of securities
- 546 Charge on lender for finance return in respect of the advance
- 547 Repo under arrangement designed to produce quasi-interest: tax avoidance

#### *Debtor repos and debtor quasi-repos*

- 548 Meaning of debtor repo
- 549 Meaning of debtor quasi-repo
- 550 Ignoring effect on borrower of sale of securities
- 551 Relief for borrower for finance charges in respect of the advance

#### *General provisions*

- 552 General provisions about arrangements
- 553 Persons buying or selling for others
- 554 Power to modify this Chapter
- 555 Cases where section 554 applies: non-standard repos

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Interpretation*

- 556 Meaning of securities and similar securities
- 557 Meaning of person receiving an asset
- 558 Interpretation of accounting expressions
- 559 Minor definitions

## **CHAPTER 11**

### INVESTMENT LIFE INSURANCE CONTRACTS

#### *Introduction*

- 560 Introduction to Chapter
- 561 Meaning of “investment life insurance contract”

#### *Investment life assurance contracts treated as creditor relationships*

- 562 Contract to be loan relationship
- 563 Increased non-trading credits for BLAGAB and EEA taxed contracts
- 564 Section 563: interpretation
- 565 Relevant amount where the relevant company uses fair value accounting

#### *Old accounting period contracts*

- 566 Introduction
- 567 Gains on deemed surrenders to be brought into account on related transactions
- 568 Restriction on credits on old contracts: fair value accounting cases
- 569 Restriction on debits on old contracts: non-fair value accounting cases

## **PART 7**

### DERIVATIVE CONTRACTS

## **CHAPTER 1**

### INTRODUCTION

#### *Introduction*

- 570 Overview of Part

#### *How profits and losses from derivative contracts are dealt with*

- 571 General rule: profits chargeable as income
- 572 Profits and losses to be calculated using credits and debits given by this Part
- 573 Trading credits and debits to be brought into account under Part 3
- 574 Non-trading credits and debits to be brought into account under Part 5

## **CHAPTER 2**

### CONTRACTS TO WHICH THIS PART APPLIES



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## *Introduction*

### 575 Overview of Chapter

#### *Meaning of “derivative contract” and other basic definitions*

- 576 “Derivative contract”
- 577 “Relevant contract”
- 578 Relevant contracts of a company and being party to such contracts
- 579 The accounting conditions
- 580 “Option”
- 581 “Future”
- 582 “Contract for differences”
- 583 “Underlying subject matter”

#### *Cases where companies treated as parties to relevant contracts*

- 584 Hybrid derivatives with embedded derivatives
- 585 Loan relationships with embedded derivatives
- 586 Other contracts with embedded derivatives

#### *Other contracts etc treated as derivative contracts*

- 587 Contract relating to holding in OEIC, unit trust or offshore fund
- 588 Associated transaction treated as derivative contract

#### *Exclusions from derivative contracts*

- 589 Contracts excluded because of underlying subject matter: general
- 590 Disregard of subordinate or small value underlying subject matter
- 591 Conditions A to E mentioned in section 589(5)
- 592 Embedded derivatives treated as meeting condition in section 591 etc
- 593 Contracts where part of underlying subject matter is excluded property

## **CHAPTER 3**

### **CREDITS AND DEBITS TO BE BROUGHT INTO ACCOUNT: GENERAL**

## *Introduction*

### 594 Overview of Chapter

#### *Matters in respect of which amounts are to be brought into account*

- 594A Matters in respect of which amounts are to be brought into account

#### *General principles*

- 595 General principles about the bringing into account of credits and debits
- 596 Meaning of “related transaction”

#### *Amounts recognised in determining a company's profit or loss*

- 597 Amounts recognised in determining a company's profit or loss
- 598 Regulations about recognised amounts
- 599 Meaning of “amounts recognised for accounting purposes”
- 599A Amounts not fully recognised for accounting purposes: introduction

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## 599B Determination of credits and debits where amounts not fully recognised

### *Application of fair value accounting*

- 600 Contract which is or forms part of financial asset or liability
- 601 Contract relating to holding in OEIC, unit trust or offshore fund
- 602 Contract becoming one relating to holding in OEIC, unit trust or offshore fund
- 603 Associated transaction treated as derivative contract

### *Rules differing from generally accepted accounting practice*

- 604 Credits and debits treated as relating to capital expenditure
- 604A Amounts recognised in other comprehensive income and not transferred to profit or loss
- 605 Credits and debits recognised in equity

### *Exchange gains and losses*

- 606 Exchange gains and losses
- 606A Arrangements that have a “one-way exchange effect”
- 606B Meaning of “relevant exchange gain” and “relevant exchange loss”
- 606C Meaning of “test day”
- 606D Counterfactual currency movement assumptions
- 606E Counterfactual currency movement assumptions: treatment of options
- 606F Meaning of “option”
- 606G Meaning of “relevant contingent contract” and “operative condition”
- 606H Other interpretative provisions

### *Miscellaneous*

- 607 Pre-contract or abortive expenses
- 607ZA Debits referable to times before UK property business etc carried on
- 607A Company is not, or has ceased to be, party to derivative contract
- 607B Exclusion of debit where relief allowed to another
- 607C Avoidance of double charge
- 608 Company ceasing to be party to derivative contract
- 609 Company ceasing to be UK resident
- 610 Non-UK resident company ceasing to hold derivative contract for section 609(2) purposes
- 611 Release under statutory insolvency arrangement of liability under derivative contract

## CHAPTER 4

### FURTHER PROVISION ABOUT CREDITS AND DEBITS TO BE BROUGHT INTO ACCOUNT

#### *Introduction*

- 612 Overview of Chapter

#### *Adjustments on change of accounting basis*

- 613 Introduction to sections 614 and 615
- 614 Change of basis of accounting involving change of value

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 615 Change of accounting policy after ceasing to be party to derivative contract

*Certain embedded derivatives*

- 616 Disapplication of fair value accounting  
617 Election for section 616 not to apply  
618 Elections under section 617: groups of companies

*Partnerships involving companies*

- 619 Partnerships involving companies  
620 Determination of credits and debits by company partners  
621 Company partners using fair value accounting

*Miscellaneous*

- 622 Contracts ceasing to be derivative contracts  
623 Index-linked gilt-edged securities with embedded contracts for differences

**CHAPTER 5**

CONTINUITY OF TREATMENT ON TRANSFERS WITHIN GROUPS

*Introductory*

- 624 Introduction to Chapter

*Group member replacing another as party to derivative contract*

- 625 Group member replacing another as party to derivative contract  
626 Transactions to which section 625 applies  
627 Meaning of company replacing another as party to derivative contract

*Exceptions to section 625*

- 628 Transferor using fair value accounting  
629 Tax avoidance

*Transferee leaving group after replacing transferor as party to derivative contract*

- 630 Introduction to sections 631 and 632  
631 Transferee leaving group otherwise than because of exempt distribution  
632 Transferee leaving group because of exempt distribution

**CHAPTER 6**

SPECIAL KINDS OF COMPANY

*Mutual trading companies*

- 633 Mutual trading companies

*Insurance companies*

- 634 Insurance companies

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 635 Creditor relationships: embedded derivatives which are options
- 636 Modifications of Chapter 5

*Investment and venture capital trusts*

- 637 Investment trusts: profits or losses of a capital nature
- 638 Venture capital trusts: profits or losses of a capital nature

## CHAPTER 7

### CHARGEABLE GAINS ARISING IN RELATION TO DERIVATIVE CONTRACTS

#### *Introduction*

- 639 Overview of Chapter

*Some credits and debits not to be brought into account under Part 5*

- 640 Credits and debits not to be brought into account under Part 5

*Some derivative contracts to be taxed on a chargeable gains basis*

- 641 Derivative contracts to be taxed on a chargeable gains basis
- 642 Exception from section 641

*Derivative contracts to which sections 640 and 641 apply*

- 643 Contracts relating to land or certain tangible movable property
- 644 Income to be left out of account in determining whether section 643 applies
- 645 Creditor relationships: embedded derivatives which are options
- 646 Exclusions from section 645
- 647 Meaning of certain expressions in section 645
- 648 Creditor relationships: embedded derivatives which are exactly tracking contracts for differences
- 649 Meaning of certain expressions in section 648
- 650 Property based total return swaps

*Some credits and debits not to be brought into account under Part 3 or 5*

- 651 Credits and debits not to be brought into account under Part 3 or Part 5

*Issuers of securities with embedded derivatives: deemed options*

- 652 Introduction to sections 653 to 655
- 653 Shares issued or transferred as a result of exercise of deemed option
- 654 Payment instead of disposal on exercise of deemed option
- 655 Ceasing to be party to debtor relationship when deemed option not exercised

*Issuers of securities with embedded derivatives: deemed contracts for differences*

- 656 Introduction to section 658
- 657 Meaning of “exactly tracking contract” in section 656
- 658 Chargeable gain or allowable loss treated as accruing

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Interpretation*

- 659 Meaning of “relevant credits” and “relevant debits”

## **CHAPTER 8**

### **FURTHER PROVISION ABOUT CHARGEABLE GAINS AND DERIVATIVE CONTRACTS**

#### *Company ceasing to be party to certain contracts*

- 660 Contract relating to holding in OEIC, unit trust or offshore fund  
661 Contract which becomes derivative contract

#### *Contracts ceasing to be derivative contracts*

- 662 Contracts ceasing to be derivative contracts

#### *Carry back of net losses on certain derivative contracts*

- 663 Contracts to which section 641 applies  
664 Meaning of certain expressions in section 663

#### *Issuers of securities with embedded derivatives: equity instruments*

- 665 Introduction to section 666  
666 Allowable loss treated as accruing

#### *Treatment of shares acquired in certain circumstances*

- 667 Shares acquired on exercise of non-embedded option  
668 Shares acquired on running of future to delivery  
669 Meaning of G and L in sections 667 and 668

#### *Treatment of net gains and losses on exercise of option*

- 670 Treatment of net gains and losses on exercise of option  
671 Meaning of G, L and CV in section 670

#### *Treatment of net gains and losses on disposal of certain embedded derivatives*

- 672 Treatment of net gains and losses on disposal of certain embedded derivatives  
673 Meaning of G, L and CV in section 672

## **CHAPTER 9**

### **EUROPEAN CROSS-BORDER TRANSFERS OF BUSINESS**

#### *Introduction*

- 674 Introduction to Chapter

#### *Transfers of derivative contracts at notional carrying value*

- 675 Transfer of derivative contract at notional carrying value  
676 Transferor using fair value accounting

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Exception for tax avoidance cases and clearances*

- 677 Tax avoidance etc
- 678 Procedure on application for clearance
- 679 Decision on application for clearance

*Transparent entities*

- 680 Disapplication of Chapter where transparent entities involved

*Interpretation*

- 681 Interpretation

**CHAPTER 10**

EUROPEAN CROSS-BORDER MERGERS

*Introduction*

- 682 Introduction to Chapter
- 683 Meaning of “the transferee” and “transferor”

*Transfers of derivative contracts at notional carrying value*

- 684 Transfer of derivative contract at notional carrying value
- 685 Transferor using fair value accounting

*Exception for tax avoidance cases and clearances*

- 686 Tax avoidance etc

*Transparent entities*

- 687 Disapplication of Chapter where transparent entities involved

*Interpretation*

- 688 Interpretation

**CHAPTER 11**

TAX AVOIDANCE

*Introduction*

- 689 Overview of Chapter

*Unallowable purposes*

- 690 Derivative contracts for unallowable purposes
- 691 Meaning of “unallowable purpose”
- 692 Allowance of accumulated net losses

*Transactions not at arm's length*

- 693 Bringing into account adjustments under Part 4 of TIOPA 2010
- 694 Exchange gains and losses

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 695 Transfers of value to connected companies
- 695A Disguised distribution arrangements involving derivative contracts

*Transactions with non-UK residents*

- 696 Derivative contracts with non-UK residents
- 697 Exceptions to section 696

*Disposals for consideration not fully recognised by accounting practice*

- 698 Disposals for consideration not fully recognised by accounting practice

*Derecognition*

- 698A Debits arising from derecognition of derivative contracts

*Counteracting avoidance arrangements*

- 698B Counteracting effect of avoidance arrangements
- 698C Interpretation of section 698B
- 698D Examples of results that may indicate exclusion not applicable

## CHAPTER 12

### PRIORITY RULES

- 699 Priority of this Part for corporation tax purposes
- 700 Relationship of this Part to Part 5: loan relationships

## CHAPTER 13

### GENERAL AND SUPPLEMENTARY PROVISIONS

*Power to amend certain provisions*

- 701 Power to amend some provisions

*Changes to accounting standards*

- 701A Power to make regulations where accounting standards change

*Other general definitions*

- 702 “Tax-adjusted carrying value”
- 703 “Chargeable asset”
- 704 “Creditor relationship” and “debtor relationship”
- 705 Expressions relating to exchange gains and losses
- 706 “Excluded body”
- 707 “Hedging relationship”
- 708 “Plain vanilla contract”
- 709 “Securities house”
- 710 Other definitions

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## PART 8

### INTANGIBLE FIXED ASSETS

#### CHAPTER 1

##### INTRODUCTION

###### *Introductory*

711 Overview of Part

###### *Basic definitions*

712 “Intangible asset”

713 “Intangible fixed asset”

714 “Royalty”

###### *Goodwill*

715 Application of this Part to goodwill

###### *Accounting rules and definitions*

716 “Recognised” amounts and “GAAP-compliant accounts”

717 Companies without GAAP-compliant accounts

718 GAAP-compliant accounts: reference to consolidated group accounts

719 Accounting value

#### CHAPTER 2

##### CREDITS IN RESPECT OF INTANGIBLE FIXED ASSETS

720 Introduction

721 Receipts recognised as they accrue

722 Receipts in respect of royalties so far as not dealt with under section 721

723 Revaluation

724 Negative goodwill

725 Reversal of previous accounting loss

#### CHAPTER 3

##### DEBITS IN RESPECT OF INTANGIBLE FIXED ASSETS

726 Introduction

727 References to expenditure on an asset

728 Expenditure written off as it is incurred

729 Writing down on accounting basis

730 Writing down at fixed rate: election for fixed-rate basis

731 Writing down at fixed rate: calculation

732 Reversal of previous accounting gain



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 4

### REALISATION OF INTANGIBLE FIXED ASSETS

- 733 Overview of Chapter
- 734 Meaning of “realisation”
- 735 Asset written down for tax purposes
- 736 Asset shown in balance sheet and not written down for tax purposes
- 737 Apportionment in case of part realisation
- 738 Asset not shown in balance sheet
- 738A Realisation of assets previously subject to Northern Ireland rate
- 739 Meaning of “proceeds of realisation”
- 740 Abortive expenditure on realisation
- 741 Meaning of “chargeable intangible asset” and “chargeable realisation gain”

## CHAPTER 5

### CALCULATION OF TAX WRITTEN-DOWN VALUE

- 742 Asset written down on accounting basis
- 743 Asset written down at fixed rate
- 744 Effect of part realisation of asset

## CHAPTER 6

### HOW CREDITS AND DEBITS ARE GIVEN EFFECT

#### *Introductory*

- 745 Introduction
- 746 “Non-trading credits” and “non-trading debits”

#### *Trading etc credits and debits*

- 747 Assets held for purposes of trade
- 748 Assets held for purposes of property business
- 749 Assets held for purposes of mines, transport undertakings, etc
- 750 Assets held for purposes falling within more than one section

#### *Non-trading credits and debits*

- 751 Non-trading gains and losses
- 752 Charge to tax on non-trading gains on intangible fixed assets
- 753 Treatment of non-trading losses

## CHAPTER 7

### ROLL-OVER RELIEF IN CASE OF REALISATION AND REINVESTMENT

#### *When the relief is given*

- 754 The relief: the “old asset” and “other assets”
- 755 Conditions relating to the old asset and its realisation
- 756 Conditions relating to expenditure on other assets

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## 757 Claim for relief

### *How the relief is given*

- 758 How the relief is given: general
- 759 Determination of appropriate proportion of cost and adjusted cost
- 760 References to cost of asset where asset affected by change of accounting policy
- 761 Declaration of provisional entitlement to relief
- 762 Realisation and reacquisition
- 763 Disregard of deemed realisations and reacquisitions

## CHAPTER 8

### GROUPS OF COMPANIES: INTRODUCTION

#### *Introductory*

- 764 Meaning of “company”, “group” and “subsidiary”

#### *Rules*

- 765 General rule: a company and its 75% subsidiaries form a group
- 766 Only effective 51% subsidiaries of principal company to be members of group
- 767 Principal company cannot be 75% subsidiary of another company
- 768 Company cannot be member of more than one group
- 769 Continuity of identity of group
- 770 Continuity where group includes an SE
- 771 Meaning of “effective 51% subsidiary”
- 772 Equity holders and profits or assets available for distribution
- 773 Supplementary provisions

## CHAPTER 9

### APPLICATION OF THIS PART TO GROUPS OF COMPANIES

#### *Introductory*

- 774 Overview of Chapter

#### *Transfers within a group treated as tax-neutral*

- 775 Transfers within a group
- 776 Meaning of “tax-neutral” transfer

#### *Roll-over relief under Chapter 7 (realisation and reinvestment)*

- 777 Relief on realisation and reinvestment: application to group member
- 778 Relief on reinvestment: acquisition of group company: introduction
- 779 Rules that apply to cases within section 778(1)

#### *Company ceasing to be member of group*

- 780 Deemed realisation and reacquisition at market value

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 781 Character of credits and debits brought into account as a result of section 780
  - 782 Certain transferees of businesses etc not treated as leaving group
  - 782A Company leaving group because of relevant share disposal
  - 783 Certain associated companies leaving group at the same time
  - 784 Groups with a relevant connection
  - 785 Principal company becoming member of another group
  - 786 Character of credits and debits brought into account as a result of section 785
  - 787 Company ceasing to be member of group because of exempt distribution
  - 788 Provisions supplementing sections 780 to 787
  - 789 Merger carried out for genuine commercial reasons
  - 790 Provisions supplementing section 789
  - 791 Application of roll-over relief in relation to degrouping charge
- Reallocation of degrouping charge within group and recovery*
- 792 Reallocation of charge within group
  - 793 Further requirements about elections under section 792
  - 793A Effect of election under section 792
  - 794 Application of roll-over relief in relation to reallocated charge
  - 795 Recovery of charge from another group company or controlling director
  - 796 Interpretation of section 795
  - 797 Recovery under section 795: procedure etc
  - 798 Recovery under section 795: time limit
- Disregard of payments between group members for reliefs*
- 799 Disregard of payments between group members for reliefs

## CHAPTER 10

### EXCLUDED ASSETS

#### *Introductory*

- 800 Introduction
- 801 Right to dispose of or acquire excluded asset also excluded
- 802 Effect of partial exclusion

#### *Assets wholly excluded from this Part*

- 803 Non-commercial purposes etc
- 804 Assets for which capital allowances previously made
- 805 Rights over tangible assets
- 806 Financial assets
- 807 Rights in companies, trusts etc
- 808 Assets representing production expenditure on films
- 808A Assets representing production expenditure on certain TV programmes
- 808B Assets representing core expenditure on video games
- 808C Assets representing expenditure incurred in course of separate theatrical trade
- 808D Assets representing expenditure incurred in course of separate orchestral trade

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 808E Assets representing expenditure incurred in course of separate exhibition trade
- 809 Oil licences

*Assets excluded from this Part except as respects royalties*

- 810 Mutual trade or business
- 811 Sound recordings
- 812 Master versions of films
- 813 Computer software treated as part of cost of related hardware

*Assets excluded from this Part to the extent specified*

- 814 Research and development
- 815 Election to exclude capital expenditure on software
- 816 Further provision about elections under section 815
- 816A Restrictions on goodwill and certain other assets

## CHAPTER 11

### TRANSFER OF BUSINESS OR TRADE

#### *Introduction*

- 817 Overview of Chapter

#### *Tax-neutral transfers*

- 818 Company reconstruction involving transfer of business
- 819 European cross-border transfers of business: introduction
- 820 Transfer of assets on European cross-border transfer of business
- 821 European cross-border mergers: introduction
- 822 Transfer of assets on European cross-border merger
- 823 Interpretation of sections 821 and 822
- 824 Transfer of business of building society to company
- 825 Application of sections 780 and 785 where transfer within section 824 occurs
- 826 Amalgamation of, or transfer of engagements by, certain societies

#### *Transfer of assets to non-UK resident company*

- 827 Claims to postpone charge on transfer
- 828 Relief on transfer
- 829 Charge on subsequent realisations
- 830 Exclusion from section 829 of group transfers

#### *The genuine commercial transaction requirement and clearance*

- 831 The genuine commercial transaction requirement and clearance
- 832 Procedure on application for clearance
- 833 Decision on application for clearance

## CHAPTER 12

### RELATED PARTIES

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Introductory*

#### 834 Overview of Chapter

#### *Meaning of “related party”, “control” and “major interest”*

#### 835 “Related party”

#### 836 “Control”

#### 837 “Major interest”

#### *Rights and powers to be taken into account*

#### 838 General rule

#### 839 Rights and powers held jointly

#### 840 Partnerships

#### *Meaning of “participator” and “associate”*

#### 841 “Participator” and “associate”

### *Connected persons*

#### 842 Introduction

#### 843 Who are connected persons

## **CHAPTER 13**

### **TRANSACTIONS BETWEEN RELATED PARTIES**

### *Introductory*

#### 844 Overview of Chapter

#### *Transfers treated as being at market value*

#### 845 Transfer between company and related party treated as at market value

#### 846 Transfers not at arm's length

#### 847 Transfers involving other taxes

#### 848 Tax-neutral transfers

#### 848A Assets held for purposes of exempt foreign permanent establishments

#### 849 Transfers involving gifts of business assets

#### 849A Disincorporation relief: transfer values for post-FA 2002 goodwill

#### *Grants treated as being at market value*

#### 849AB Grant of licence or other right treated as at market value

#### 849AC Grants not at arm's length

#### 849AD Grants involving other taxes

...

#### 849B Circumstances in which restrictions on debits in respect of goodwill etc apply

#### 849C Restrictions in a case within section 849B(4) or (5)

#### 849D Restrictions in a case within section 849B(6)

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Other rules*

- 850 Part realisation involving related party acquisition: exclusion of roll-over relief
- 851 Delayed payment of royalty by company to related party

## **CHAPTER 14**

### MISCELLANEOUS PROVISIONS

#### *Grants and other contributions to expenditure*

- 852 Treatment of grants and other contributions to expenditure
- 853 Grants to be left out of account for tax purposes

#### *Finance leasing*

- 854 Finance leasing etc
- 855 Further provision about regulations under section 854

#### *Values to be used in special cases*

- 856 Assets acquired or realised together
- 857 Deemed market value acquisition: adjustment where nil accounting value

#### *Fungible assets*

- 858 Fungible assets

#### *Assets ceasing to be or becoming chargeable intangible assets*

- 859 Asset ceasing to be chargeable intangible asset: deemed realisation at market value
- 860 Asset ceasing to be chargeable intangible asset: postponement of gain
- 861 Treatment of postponed gain on subsequent realisation
- 862 Treatment of postponed gain in other cases
- 863 Asset becoming chargeable intangible asset
- 863A Asset becoming chargeable intangible asset: EU exit charge

#### *Matters to be ignored*

- 864 Tax avoidance arrangements to be ignored
- 865 Debits for expenditure not generally deductible for tax purposes

#### *Delayed payments and bad debts*

- 866 Delayed payment of employees' remuneration
- 867 Provisions supplementing section 866
- 868 Delayed payment of pension contributions
- 869 Bad debts etc

...

- 870 Assumptions for calculating chargeable profits

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Roll-over relief under TCGA 1992*

870A Claims for relief made under sections 152 and 153 of TCGA 1992

## **CHAPTER 15**

### ADJUSTMENTS ON CHANGE OF ACCOUNTING POLICY

#### *Introductory*

871 Introduction to Chapter

#### *Change of policy involving change of value*

872 Adjustments in respect of change

873 Effect of application of section 872 in later period and subsequently

#### *Change of policy involving disaggregation*

874 Original asset not subject to fixed-rate writing down

875 Effect of application of section 874 in later period and subsequently

876 Original asset subject to fixed-rate writing down

877 Election for fixed-rate writing down in relation to resulting asset

#### *Supplementary*

878 Exclusion of credits or debits brought into account under other provisions

879 Subsequent events affecting asset subject to adjustment under this Chapter

## **CHAPTER 15A**

### DEBITS IN RESPECT OF GOODWILL AND CERTAIN OTHER ASSETS

#### *Introduction*

879A Introduction

#### *Requirement to write down at a fixed rate*

879B Requirement to write down at a fixed rate

#### *Restrictions on debits: pre-FA 2019 relevant assets*

879C Restrictions on debits: pre-FA 2019 relevant assets

879D Pre-FA 2019 relevant asset: the first case

879E Pre-FA 2019 relevant asset: the second case

879F Pre-FA 2019 relevant asset: the third case

879G The preserved status condition etc

879H Pre-FA 2019 relevant asset: the fourth case

#### *Restrictions on debits: no business or no qualifying IP assets acquired*

879I Restrictions on debits: no business or no qualifying IP assets acquired

879J Meaning of qualifying IP asset

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Restrictions on debits: acquisition from individual or firm*

- 879K Restrictions on debits: acquisition from individual or firm
- 879L Meaning of relevant business and third party acquisition

*Partial restrictions on debits*

- 879M When the partial restrictions apply: qualifying IP assets
- 879N When the partial restrictions apply: acquisition from individual or firm
- 879O The partial restrictions on debits

*Supplementary*

- 879P Date of acquisition of relevant asset

**CHAPTER 16**

PRE-FA 2002 ASSETS ETC

*Introduction*

- 880 Overview of Chapter
- 881 Meaning of “pre-FA 2002 assets”

*General rule*

- 882 Application of this Part to assets created or acquired on or after 1 April 2002

*When assets are treated as created or acquired*

- 883 Assets treated as created or acquired when expenditure incurred
- 884 ... Goodwill: time of creation
- 885 Assets representing non-qualifying expenditure: time of creation
- 886 Assets representing production expenditure on films: time of creation

*When expenditure treated as incurred*

- 887 General rule
- 888 Cases where chargeable gains rule applies
- 889 Cases where capital allowances general rule applies

*Fungible assets*

- 890 Fungible assets: application of section 858
- 891 Realisation and acquisition of fungible assets

*Assets treated as pre-FA 2002 assets*

- 892 Certain assets acquired on transfer of business or transfer within a group
- 893 Assets whose value derives from pre-FA 2002 assets
- 894 The preserved status conditions etc
- 895 Assets acquired in connection with disposals of pre-FA 2002 assets

*Application of Part to royalties and telecommunication rights*

- 896 Application to royalties



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 897 Application to pre-FA 2002 assets consisting of telecommunication rights

*Roll-over relief for disposals of pre-FA 2002 assets*

- 898 Relief where assets disposed of on or after 1 April 2002  
899 Relief where degrouping charge on asset arises on or after 1 April 2002  
900 Meaning of “chargeable asset within TCGA” in sections 898 and 899

**CHAPTER 16A**

DEBITS IN RESPECT OF ASSETS THAT WERE PRE-FA 2002 ASSETS ETC

*Introduction*

- 900A Introduction

*When an intangible fixed asset is a restricted asset*

- 900B When an intangible fixed asset is a restricted asset: the first case  
900C When an intangible fixed asset is a restricted asset: the second case  
900D When an intangible fixed asset is a restricted asset: the third case

*The special rules*

- 900E Special rule: section 900B case  
900F Special rule: section 900C or 900D case

*Supplementary provisions*

- 900G Meaning of “relieving acquisition”  
900H Supplementary provision about when two persons are related  
900I Acquisition of asset in pursuance of an unconditional obligation

**CHAPTER 16B**

FUNGIBLE ASSETS

- 900J Fungible assets: general  
900K Fungible assets: pre-FA 2002 assets and restricted assets  
900L Realisation of fungible assets: pre-FA 2002 assets and restricted assets  
900M Acquisition of fungible assets: pre-FA 2002 assets and restricted assets  
900N Debits in respect of a single asset comprising restricted assets  
900O Interpretation

**CHAPTER 17**

INSURANCE COMPANIES

*Effect of application of the I minus E basis: non-trading amounts*

- 901 Effect of application of the I - E basis: non-trading amounts

...

- 902 Excluded assets

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 903 Elections to exclude capital expenditure on computer software

*Miscellaneous*

- 904 Transfers of life assurance business: transfers of assets treated as tax-neutral  
905 Pre-FA 2002 assets: Lloyd's syndicate capacity

**CHAPTER 18**

PRIORITY RULES

- 906 Priority of this Part for corporation tax purposes

**PART 9**

INTELLECTUAL PROPERTY: KNOW-HOW AND PATENTS

**CHAPTER 1**

INTRODUCTION

- 907 Overview of Part

**CHAPTER 2**

DISPOSALS OF KNOW-HOW

- 908 Charge to tax on profits from disposals of know-how  
909 Exceptions to charge under section 908  
910 Profits charged under section 908

**CHAPTER 3**

SALES OF PATENT RIGHTS

*Introductory*

- 911 Overview of Chapter

*Charge to tax*

- 912 Charge to tax on profits from sales of patent rights  
913 Profits charged under section 912

*Spreading of charge to tax*

- 914 UK resident companies: proceeds of sale not received in instalments  
915 UK resident companies: proceeds of sale received in instalments  
916 Non-UK resident companies: proceeds of sale not received in instalments  
917 Non-UK resident companies: proceeds of sale received in instalments  
918 Winding up of a body corporate

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Miscellaneous*

- 919 Deduction of tax from payments to non-UK resident companies
- 920 Adjustments where tax has been deducted
- 921 Licences connected with patents
- 922 Rights to acquire future patent rights
- 923 Sums paid for Crown use etc treated as paid under licence

## **CHAPTER 4**

### RELIEF FROM CORPORATION TAX ON PATENT INCOME

- 924 Relief for expenses: patent income
- 925 How relief is given under section 924

## **CHAPTER 5**

### SUPPLEMENTARY

- 926 Contributions to expenditure
- 927 Contributions not made by public bodies nor eligible for tax relief
- 928 Exchanges
- 929 Apportionment where property sold together
- 930 Questions about apportionments affecting two or more persons
- 931 Meaning of “capital sums” etc

## **PART 9A**

### COMPANY DISTRIBUTIONS

## **CHAPTER 1**

### THE CHARGE TO TAX

- 931A Charge to tax on distributions received

## **CHAPTER 2**

### EXEMPTION OF DISTRIBUTIONS RECEIVED BY SMALL COMPANIES

- 931B Exemption from charge to tax
- 931C Meaning of “qualifying territory”
- 931CA Further exemption where distribution received from CFC

## **CHAPTER 3**

### EXEMPTION OF DISTRIBUTIONS RECEIVED BY COMPANIES THAT ARE NOT SMALL

- 931D Exemption from charge to tax

### *Exempt classes*

- 931E Distributions from controlled companies
- 931F Distributions in respect of non-redeemable ordinary shares
- 931G Distributions in respect of portfolio holdings

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 931H Distributions derived from transactions not designed to reduce tax
- 931I Dividends in respect of shares accounted for as liabilities

*Exempt classes: anti-avoidance*

- 931J Schemes involving manipulation of controlled company rules
- 931K Schemes involving quasi-preference or quasi-redeemable shares
- 931L Schemes involving manipulation of portfolio holdings rule
- 931M Schemes in the nature of loan relationships
- 931N Schemes involving distributions for which deductions are given
- 931O Schemes involving payments for distributions
- 931P Schemes involving payments not on arm's length terms
- 931Q Schemes involving diversion of trade income

## CHAPTER 4

### SUPPLEMENTARY

*Election that distribution should not be exempt*

- 931R Election that distribution should not be exempt

*Chargeable gains*

- 931RA Chargeable gains

*Interpretation*

- 931S Meaning of “small company”
- 931T Meaning of “payer”, “recipient” and “relevant person”
- 931U Meaning of “ordinary share” and “redeemable”
- 931V Meaning of “scheme” and “tax advantage scheme”

*Boundary provisions*

- 931W Provisions which must be given priority over this Part

## PART 10

### MISCELLANEOUS INCOME

## CHAPTER 1

### INTRODUCTION

- 932 Overview of Part

## CHAPTER 2

### DIVIDENDS OF NON-UK RESIDENT COMPANIES

- 933 Charge to tax on dividends of non-UK resident companies

## CHAPTER 3

### BENEFICIARIES' INCOME FROM ESTATES IN ADMINISTRATION

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Introduction*

- 934 Charge to tax on estate income
- 935 Absolute, limited and discretionary interests
- 936 Meaning of “UK estate” and “foreign estate”

### *Types of estate income*

- 937 Absolute interests in residue
- 938 Meaning of “the administration period”, “the final accounting period” and “the final tax year”
- 939 Limited interests in residue
- 940 Discretionary interests in residue

### *Income charged*

- 941 UK estates
- 942 Foreign estates

### *Basic amount of estate income: general calculations rules*

- 943 Absolute interests
- 944 Limited interests
- 945 Discretionary interests
- 946 Applicable rate for grossing up basic amounts of estate income
- 947 Aggregate income of the estate

### *Further provisions for calculating estate income relating to absolute interests*

- 948 Assumed income entitlement
- 949 Residuary income of the estate
- 950 Shares of residuary income of estate
- 951 Reduction in share of residuary income of estate
- 952 Applicable rate for determining assumed income entitlement (UK estates)

### *Successive interests*

- 953 Introduction
- 954 Successive absolute interests
- 955 Assumed income entitlement of holder of absolute interest following limited interest
- 956 Payments in respect of limited interests followed by absolute interests
- 957 Holders of limited interests
- 958 Basic amount of estate income: successive limited interests
- 959 Apportionments

### *Relief where foreign estates have borne UK income tax*

- 960 Relief in respect of tax relating to absolute interests
- 961 Relief in respect of tax relating to limited or discretionary interests

### *General*

- 962 Income from which basic amounts are treated as paid
- 963 Income treated as bearing income tax
- 964 Transfers of assets etc treated as payments

*Changes to legislation:* Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 965 Assessments, adjustments and claims after the administration period
- 966 Power to obtain information from personal representatives and beneficiaries
- 967 Statements relating to estate income

...

- 968 Meaning of “personal representatives”

## CHAPTER 4

### INCOME FROM HOLDING AN OFFICE

- 969 Charge to tax on income from holding an office
- 970 Rule restricting deductions for bad debts

## CHAPTER 5

### DISTRIBUTIONS FROM UNAUTHORISED UNIT TRUSTS

- 971 Overview of Chapter
- 972 Charge to tax under this Chapter
- 973 Amount of income treated as received

## CHAPTER 6

### SALE OF FOREIGN DIVIDEND COUPONS

- 974 Charge to tax under this Chapter
- 975 Meaning of “foreign holdings” etc

## CHAPTER 7

### ANNUAL PAYMENTS NOT OTHERWISE CHARGED

- 976 Overview of Chapter
- 977 Charge to tax on annual payments not otherwise charged
- 978 Exemption for payments by persons liable to pool betting duty

## CHAPTER 8

### INCOME NOT OTHERWISE CHARGED

- 979 Charge to tax on income not otherwise charged
- 980 Exemption for commercial occupation of woodlands in UK
- 981 Exemption for gains on financial futures

## CHAPTER 9

### PRIORITY RULES

- 982 Provisions which must be given priority over this Part

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## PART 11

### RELIEF FOR PARTICULAR EMPLOYEE SHARE ACQUISITION SCHEMES

#### CHAPTER 1

##### SHARE INCENTIVE PLANS

###### *Introductory*

- 983 Overview of Chapter
- 984 Chapter to form part of SIP code etc

###### *Deductions and receipts: general*

- 985 References to a deduction being allowed to a company
- 986 Treatment of receipts under Chapter

###### *Deductions relating to setting up and running costs*

- 987 Deduction for costs of setting up a Schedule 2 share incentive plan
- 988 Deductions for running expenses of a Schedule 2 share incentive plan

###### *Deductions relating to payments used to acquire shares*

- 989 Deduction for contribution to plan trust
- 990 Withdrawal of deduction under section 989
- 991 Another deduction to be allowed if all acquired shares are awarded
- 992 Award of shares to excluded employee
- 993 Plan termination notice

###### *Deductions relating to provision of certain types of shares*

- 994 Deduction for providing free or matching shares
- 995 Deduction for additional expense in providing partnership shares
- 996 Shares excluded from sections 994 and 995
- 997 No deduction for expenses in providing dividend shares

###### *Plan ceasing to be a Schedule 2 SIP*

- 998 Withdrawal of deductions if share incentive plan ceases to be a Schedule 2 share incentive plan

#### CHAPTER 2

##### SAYE OPTION SCHEMES, COMPANY SHARE OPTION SCHEMES AND EMPLOYEE SHARE OPTIONS TRUSTS

- 999 Deduction for costs of setting up SAYE option scheme or CSOP scheme
- 1000 Deduction for costs of setting up employee share ownership trust

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## PART 12

### OTHER RELIEF FOR EMPLOYEE SHARE ACQUISITIONS

#### CHAPTER 1

##### INTRODUCTION

###### *Introductory*

- 1001 Overview of Part

###### *Interpretation*

- 1002 “Employment”  
1003 “Shares” etc  
1004 Groups, consortiums and commercial associations of companies  
1005 Other definitions

#### CHAPTER 2

##### RELIEF IF SHARES ACQUIRED BY EMPLOYEE OR OTHER PERSON

###### *Introductory*

- 1006 Overview of Chapter

###### *Requirements to be met for relief to be available*

- 1007 Basic requirements for relief under Chapter 2  
1007A Application of Chapter in relation to employees of overseas companies who work for companies in the UK  
1008 Conditions relating to shares acquired  
1009 Conditions relating to employee's income tax position

###### *Calculation of amount of relief*

- 1010 Calculation of relief if shares are neither restricted nor convertible  
1011 Calculation of relief if shares are restricted or convertible  
1012 Reduction in amount of relief

###### *Giving of relief*

- 1013 How the relief is given

#### CHAPTER 3

##### RELIEF IF EMPLOYEE OR OTHER PERSON OBTAINS OPTION TO ACQUIRE SHARES

###### *Introductory*

- 1014 Overview of Chapter

###### *Requirements to be met for relief to be available*

- 1015 Basic requirements for relief under Chapter 3



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 1015A Application of Chapter: employees of overseas companies who take up employment with a UK company
- 1015B Application of Chapter in relation to employees of overseas companies who work for companies in the UK
- 1016 Conditions relating to shares acquired
- 1017 Condition relating to employee's income tax position

*Calculation of amount of relief*

- 1018 Calculation of relief if shares are neither restricted nor convertible
- 1019 Calculation of relief if shares are restricted or convertible
- 1020 Reduction in amount of relief

*Giving of relief*

- 1021 How the relief is given

*Takeovers and transfers of businesses*

- 1022 Takeover of company whose shares are subject to option
- 1023 Supplementary provision for purposes of section 1022
- 1024 Transfer of qualifying business by group transfers

**CHAPTER 4**

ADDITIONAL RELIEF IN CASES INVOLVING RESTRICTED SHARES

- 1025 Additional relief available if shares acquired are restricted shares
- 1025A Application of Chapter: employees of overseas companies who take up employment with, or work for, a UK company
- 1025B Application of Chapter where original relief a consequence of section 1007A, 1015A or 1015B
- 1026 Relief available on occurrence of chargeable event
- 1027 Relief available on death of employee
- 1028 Supplementary provision for purposes of sections 1026 and 1027
- 1029 Transfer of qualifying business by group transfers

**CHAPTER 5**

ADDITIONAL RELIEF IN CASES INVOLVING CONVERTIBLE SECURITIES

- 1030 Application of Chapter
- 1030A Application of Chapter: employees of overseas companies who take up employment with, or work for, a UK company
- 1030B Application of Chapter where original relief a consequence of section 1007A, 1015A or 1015B
- 1031 Additional relief available if shares acquired are convertible shares etc
- 1032 Meaning of “chargeable event”
- 1033 Relief available on occurrence of chargeable event
- 1034 Relief available following death of employee
- 1035 Supplementary provision for purposes of sections 1033 and 1034
- 1036 Transfer of qualifying business by group transfers

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 6

### RELATIONSHIP BETWEEN RELIEF UNDER THIS PART AND OTHER RELIEFS ETC

- 1037 Priority of Chapter 1 of Part 11
- 1038 Exclusion of other deductions
- 1038A Exclusion of deductions for share options: shares not acquired
- 1038B Employee shareholder shares

## PART 13

### ADDITIONAL RELIEF FOR EXPENDITURE ON RESEARCH AND DEVELOPMENT

## CHAPTER 1

### INTRODUCTION

#### *Introductory*

- 1039 Overview of Part
- 1040 Relief may be available under more than one Chapter of Part
- 1040ZA Restriction on claiming other tax reliefs
- 1040A R&D expenditure credits

#### *Interpretation*

- 1041 “Research and development”
- 1042 “Relevant research and development”

## CHAPTER 2

### RELIEF FOR SMES: COST OF R&D INCURRED BY SME

#### *Introductory*

- 1043 Overview of Chapter

#### *Reliefs*

- 1044 Additional deduction in calculating profits of trade
- 1045 Alternative treatment for pre-trading expenditure: deemed trading loss

#### *Reliefs: further provision*

- 1046 Relief only available where company is going concern
- 1047 Elections under section 1045
- 1048 Treatment of deemed trading loss under section 1045
- 1049 Restriction on consortium relief

#### *Threshold*

- 1050 R&D threshold

#### *Qualifying expenditure*

- 1051 Qualifying Chapter 2 expenditure
- 1052 Qualifying expenditure on in-house direct R&D

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

1053 Qualifying expenditure on contracted out R&D

*Tax credit: entitlement and payment*

- 1054 Entitlement to and payment of tax credit
- 1055 Meaning of “Chapter 2 surrenderable loss”
- 1056 Amount of trading loss which is “unrelieved”
- 1057 Tax credit only available where company is going concern

*Amount of tax credit*

- 1058 Amount of tax credit
- 1058A Relevant expenditure on workers
- 1058B Total amount of company's PAYE and NIC liabilities
- 1058C Avoiding double counting of PAYE and NIC liabilities
- 1058D Exceptions to tax credit cap
- 1059 Total amount of company's PAYE and NIC liabilities

*Supplementary*

- 1060 Payment of tax credit
- 1061 Tax credit payment not income of company
- 1062 Restriction on losses carried forward where tax credit claimed

**CHAPTER 3**

RELIEF FOR SMES: R&D SUB-CONTRACTED TO SME

*Relief*

- 1063 Additional deduction in calculating profits of trade

*Threshold*

- 1064 R&D threshold

*Qualifying expenditure*

- 1065 Qualifying Chapter 3 expenditure
- 1066 Expenditure on sub-contracted R&D undertaken in-house
- 1067 Expenditure on sub-contracted R&D not undertaken in-house

**CHAPTER 4**

RELIEF FOR SMES: SUBSIDISED AND CAPPED EXPENDITURE ON R&D

*Relief*

- 1068 Additional deduction in calculating profits of trade

*Threshold*

- 1069 R&D threshold

*Qualifying expenditure*

- 1070 Qualifying Chapter 4 expenditure

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 1071 Subsidised qualifying expenditure on in-house direct R&D
- 1072 Subsidised qualifying expenditure on contracted out R&D
- 1073 Capped R&D expenditure

## CHAPTER 5

### RELIEF FOR LARGE COMPANIES

#### *Relief*

- 1074 Additional deduction in calculating profits of trade

#### *Threshold*

- 1075 R&D threshold

#### *Qualifying expenditure*

- 1076 Qualifying Chapter 5 expenditure
- 1077 Qualifying expenditure on in-house direct R&D
- 1078 Qualifying expenditure on contracted out R&D
- 1079 Qualifying expenditure on contributions to independent R&D

#### *Insurance companies*

- 1080 Entitlement to relief: I minus E basis

## CHAPTER 6

### CHAPTERS 2 TO 5: FURTHER PROVISION

- 1081 Insurance companies treated as large companies
- 1082 R&D expenditure of group companies
- 1083 Refunds of expenditure treated as income chargeable to tax
- 1084 Artificially inflated claims for relief or tax credit

## CHAPTER 7

### RELIEF FOR LARGE COMPANIES: VACCINE RESEARCH ETC

#### *Introductory*

- 1085 Overview of Chapter
- 1086 Meaning of “qualifying R&D activity”

#### *Reliefs*

- 1087 Deduction in calculating profits of trade
- 1088 Declaration about effect of relief
- 1089 SMEs: amount of deduction
- 1090 Modification of section 1089 for larger SMEs
- 1091 Amount of deduction
- 1092 SMEs: deemed trading loss for pre-trading expenditure
- 1093 Modification of section 1092 for larger SMEs
- 1094 Relief only available to SME where company is going concern

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Deemed trading loss: further provision*

- 1095 Elections under section 1092
- 1096 Treatment of deemed trading loss under section 1092

*Threshold*

- 1097 R&D threshold

*Qualifying expenditure*

- 1098 Meaning of “qualifying Chapter 7 expenditure”
- 1099 SMEs: qualifying expenditure “for” an accounting period
- 1100 Qualifying expenditure “for” an accounting period
- 1101 Qualifying expenditure on in-house direct R&D
- 1102 Qualifying expenditure on contracted out R&D

*Tax credit: entitlement and payment*

- 1103 Entitlement to and payment of tax credit
- 1104 Meaning of “Chapter 7 surrenderable loss”
- 1105 Amount of trading loss which is “unrelieved”
- 1106 Tax credit only available where company is going concern

*Amount of tax credit*

- 1107 Amount of tax credit
- 1108 Total amount of company's PAYE and NIC liabilities

*Supplementary*

- 1109 Payment of tax credit
- 1110 Tax credit payment not income of company
- 1111 Restriction on losses carried forward where tax credit claimed

*Tax avoidance*

- 1112 Artificially inflated claims for relief

**CHAPTER 8**

**CAP ON AID FOR R&D**

- 1113 Cap on R&D aid under Chapter 2 ...
- 1114 Total R&D aid
- 1115 “The tax credits”
- 1116 “The actual reduction in tax liability”
- 1117 “The potential relief”
- 1118 “The notional R&D expenditure credit”

**CHAPTER 9**

**SUPPLEMENTARY**

*SMEs and large companies*

- 1119 “Small or medium-sized enterprise”

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 1120 Qualifications to section 1119
- 1121 “Larger SME”
- 1122 “Large company”

*Staffing costs*

- 1123 “Staffing costs”
- 1124 Staffing costs: attributable expenditure

*Software or consumable items*

- 1125 “Software or consumable items”
- 1126 Software or consumable items: attributable expenditure
- 1126A Attributable expenditure: special rules
- 1126B Attributable expenditure: further provision

*Qualifying expenditure on externally provided workers*

- 1127 “Qualifying expenditure on externally provided workers”
- 1128 “Externally provided worker”
- 1129 Qualifying expenditure on externally provided workers: connected persons
- 1130 Election for connected persons treatment
- 1131 Qualifying expenditure on externally provided workers: other cases
- 1131A Sections 1129 and 1131: secondary Class 1 NICs paid by company
- 1132 External workers: attributable expenditure

*Sub-contractor payments*

- 1133 “Sub-contractor” and “sub-contractor payment”
- 1134 Qualifying element of sub-contractor payment: connected persons
- 1135 Election for connected persons treatment
- 1136 Qualifying element of sub-contractor payment: other cases

*Miscellaneous*

- 1137 Accounting periods: company not within charge to corporation tax
- 1138 “Subsidised expenditure”
- 1139 “Intellectual property”
- 1140 “Relevant payments to the subjects of a clinical trial”
- 1141 “Payment period”
- 1142 “Qualifying body”

## PART 14

### REMEDICATION OF CONTAMINATED OR DERELICT LAND

#### CHAPTER 1

##### INTRODUCTION

###### *Introductory*

- 1143 Overview of Part

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Basic definitions*

- 1144 “Qualifying land remediation expenditure”
- 1145 Land “in a contaminated state”
- 1145A Land “in a derelict state”
- 1145B Exclusion of nuclear sites
- 1146 “Relevant contaminated land remediation”
- 1146A “Relevant derelict land remediation”

## **CHAPTER 2**

### RELIEFS FOR EXPENDITURE ON CONTAMINATED OR DERELICT LAND

- 1147 Deduction for capital expenditure
- 1148 Election under section 1147
- 1149 Additional deduction for qualifying land remediation expenditure
- 1150 No relief if company responsible for contamination or dereliction or polluter has interest

## **CHAPTER 3**

### LAND REMEDIATION TAX CREDIT

#### *Entitlement and payment*

- 1151 Entitlement to and payment of tax credit
- 1152 Meaning of “qualifying land remediation loss”
- 1153 Amount of a loss which is “unrelieved”

#### *Amount of tax credit*

- 1154 Amount of tax credit

#### *Supplementary*

- 1155 Payment of tax credit
- 1156 Tax credit payment not income of company
- 1157 Exclusion for capital gains purposes of certain expenditure
- 1158 Restriction on losses carried forward where tax credit claimed

## **CHAPTER 4**

### SPECIAL PROVISION FOR BLAGAB

...

- 1159 Limitation on relief under Chapter 2

#### *I minus E basis*

- 1160 Provision in respect of I minus E basis

#### *Relief ...*

- 1161 Relief in respect of I minus E basis: ... expenses payable
- 1162 Additional relief

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 1163 No relief if company responsible for contamination or dereliction or polluter has interest

*BLAGAB company tax credits*

- 1164 Entitlement to tax credit  
1165 Meaning of “qualifying BLAGAB loss”  
1166 Amount of tax credit  
1167 Payment of tax credit etc  
1168 Restriction on carrying forward expenses payable where tax credit claimed

**CHAPTER 5**

TAX AVOIDANCE

- 1169 Artificially inflated claims for relief or tax credit

**CHAPTER 6**

SUPPLEMENTARY

- 1170 “Staffing costs”  
1171 Staffing costs attributable to relevant land remediation  
1172 Expenditure on materials  
1173 Expenditure incurred because of contamination or dereliction  
1174 Sub-contractor payments  
1175 Connected sub-contractors  
1176 “Qualifying expenditure on sub-contracted land remediation”: other cases  
1177 “Subsidised expenditure”  
1178 Persons having a “relevant connection” to a company  
1178A “Major interest in land”  
1179 Other definitions

**PART 15**

FILM PRODUCTION

**CHAPTER 1**

INTRODUCTION

*Introductory*

- 1180 Overview of Part

*Interpretation*

- 1181 “Film” etc  
1182 “Film production company”  
1183 “Film-making activities” etc  
1184 “Production expenditure”, “core expenditure” ...  
1185 “UK expenditure” etc  
1186 “Qualifying co-production” and “co-producer”



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

1187 “Company tax return”

## CHAPTER 2

### TAXATION OF ACTIVITIES OF FILM PRODUCTION COMPANY

#### *Separate film trade*

- 1188 Activities of film production company treated as a separate trade
- 1189 Calculation of profits or losses of separate film trade

#### *Supplementary*

- 1190 Income from the film
- 1191 Costs of the film
- 1192 When costs are taken to be incurred
- 1193 Pre-trading expenditure
- 1194 Estimates

## CHAPTER 3

### FILM TAX RELIEF

#### *Introductory*

- 1195 Availability and overview of film tax relief

#### *Conditions of relief*

- 1196 Intended theatrical release
- 1196A Intended release or broadcast
- 1197 British film
- 1198 UK expenditure

#### *Additional deductions*

- 1199 Additional deduction for qualifying expenditure
- 1200 Amount of additional deduction

#### *Film tax credits*

- 1201 Film tax credit claimable if company has surrenderable loss
- 1202 Surrendering of loss and amount of film tax credit
- 1203 Payment in respect of film tax credit

#### *Miscellaneous*

- 1204 No account to be taken of amount if unpaid
- 1205 Artificially inflated claims for additional deduction or film tax credit
- 1206 Confidentiality of information
- 1207 Wrongful disclosure

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 4

### FILM LOSSES

- 1208 Application of sections 1209 and 1210
- 1209 Restriction on use of losses while film in production
- 1210 Use of losses in later periods
- 1211 Terminal losses

## CHAPTER 5

### PROVISIONAL ENTITLEMENT TO RELIEF

- 1212 Introduction
- 1213 Certification as a British film
- 1214 The UK expenditure condition
- 1215 Film tax relief on basis that film is limited-budget film
- 1216 Time limit for amendments and assessments

## PART 15A

### TELEVISION PRODUCTION

## CHAPTER 1

### INTRODUCTION

#### *Introductory*

- 1216A Overview of Part

#### *Meaning of “television programme”, “relevant programme” etc*

- 1216AA “Television programme”
- 1216AB “Relevant programme”
- 1216AC Types of programme eligible to be relevant programmes
- 1216AD Excluded programmes
- 1216ADA Certain children's programmes not to be excluded programmes

#### *Other interpretation*

- 1216AE Television production company
- 1216AF “Television production activities” etc
- 1216AG “Production expenditure” and “core expenditure”
- 1216AH “UK expenditure” etc
- 1216AI “Qualifying co-production” and “co-producer”
- 1216AJ “Company tax return”

## CHAPTER 2

### TAXATION OF ACTIVITIES OF TELEVISION PRODUCTION COMPANY

#### *Separate programme trade*

- 1216B Activities of television production company treated as a separate trade
- 1216BA Calculation of profits or losses of separate programme trade

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Supplementary*

- 1216BB Income from the relevant programme
- 1216BC Costs of the relevant programme
- 1216BD When costs are taken to be incurred
- 1216BE Pre-trading expenditure
- 1216BF Estimates

## **CHAPTER 3**

### TELEVISION TAX RELIEF

#### *Introductory*

- 1216C Availability and overview of television tax relief

#### *“Intended for broadcast”*

- 1216CA Intended for broadcast

#### *British programmes*

- 1216CB British programme
- 1216CC Applications for certification
- 1216CD Certification and withdrawal of certification

#### *UK expenditure*

- 1216CE UK expenditure

#### *Additional deductions*

- 1216CF Additional deduction for qualifying expenditure
- 1216CG Amount of additional deduction

#### *Television tax credits*

- 1216CH Television tax credit claimable if company has surrenderable loss
- 1216CI Surrendering of loss and amount of television tax credit
- 1216CJ Payment in respect of television tax credit

#### *Miscellaneous*

- 1216CK No account to be taken of amount if unpaid
- 1216CL Artificially inflated claims for additional deduction or tax credit
- 1216CM Confidentiality of information
- 1216CN Wrongful disclosure

## **CHAPTER 4**

### PROGRAMME LOSSES

- 1216D Application of sections 1216DA and 1216DB
- 1216DA Restriction on use of losses while programme in production
- 1216DB Use of losses in later periods
- 1216DC Terminal losses

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 5

### PROVISIONAL ENTITLEMENT TO RELIEF

- 1216E Introduction
- 1216EA Certification as a British programme
- 1216EB The UK expenditure condition
- 1216EC Time limit for amendments and assessments

## PART 15B

### VIDEO GAMES DEVELOPMENT

## CHAPTER 1

### INTRODUCTION

#### *Introductory*

- 1217A Overview of Part

#### *Interpretation*

- 1217AA “Video game” etc
- 1217AB Video games development company
- 1217AC “Video game development activities” etc
- 1217AD “Core expenditure”
- 1217AE “European expenditure” etc
- 1217AF “Company tax return”

## CHAPTER 2

### TAXATION OF ACTIVITIES OF VIDEO GAMES DEVELOPMENT COMPANY

#### *Separate video game trade*

- 1217B Activities of video games development company treated as a separate trade
- 1217BA Calculation of profits or losses of separate video game trade

#### *Supplementary*

- 1217BB Income from the video game
- 1217BC Costs of the video game
- 1217BD When costs are taken to be incurred
- 1217BE Estimates

## CHAPTER 3

### VIDEO GAMES TAX RELIEF

#### *Introductory*

- 1217C Availability and overview of video games tax relief

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*“Intended for supply”*

1217CA Intended for supply

*British video games*

1217CB British video game  
1217CC Applications for certification  
1217CD Certification and withdrawal of certification

*EEA expenditure*

1217CE European expenditure

*Additional deductions*

1217CF Additional deduction for qualifying expenditure  
1217CG Amount of additional deduction

*Video game tax credits*

1217CH Video game tax credit claimable if company has surrenderable loss  
1217CI Surrendering of loss and amount of video game tax credit  
1217CJ Payment in respect of video game tax credit

*Miscellaneous*

1217CK No account to be taken of amount if unpaid  
1217CL Artificially inflated claims for additional deduction or tax credit  
1217CM Confidentiality of information  
1217CN Wrongful disclosure

**CHAPTER 4**

VIDEO GAME LOSSES

1217D Application of sections 1217DA and 1217DB  
1217DA Restriction on use of losses while video game in development  
1217DB Use of losses in later periods  
1217DC Terminal losses

**CHAPTER 5**

PROVISIONAL ENTITLEMENT TO RELIEF

1217E Introduction  
1217EA Certification as a British video game  
1217EB The European expenditure condition  
1217EC Time limit for amendments and assessments

**PART 15C**

THEATRICAL PRODUCTIONS

*Introduction*

1217F Overview

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 1217FA “Theatrical production”
- 1217FB Productions not regarded as theatrical
- 1217FC “Production company”

*Companies qualifying for relief*

- 1217G How a company qualifies for relief
- 1217GA The commercial purpose condition
- 1217GB The European expenditure condition
- 1217GC “Core expenditure”

*Claim for additional deduction*

- 1217H Claim for additional deduction

*The separate theatrical trade*

- 1217I Introduction to sections 1217IA to 1217IF
- 1217IA Calculation of profits or losses of separate theatrical trade
- 1217IB Income from the production
- 1217IC Costs of the production
- 1217ID When costs are taken to be incurred
- 1217IE Pre-trading expenditure
- 1217IF Estimates

*Amount of additional deduction*

- 1217J Amount of additional deduction
- 1217JA “Qualifying expenditure”

*Theatre tax credits*

- 1217K Theatre tax credit claimable if company has surrenderable loss
- 1217KA Amount of surrenderable loss
- 1217KB Payment in respect of theatre tax credit
- 1217KC Limit on State aid

*Anti-avoidance etc*

- 1217LA Tax avoidance arrangements
- 1217LB Transactions not entered into for genuine commercial reasons

*Use of losses*

- 1217M Application of sections 1217MA to 1217MC
- 1217MA Restriction on use of losses before completion period
- 1217MB Use of losses in the completion period
- 1217MC Terminal losses

*Provisional entitlement to relief*

- 1217N Provisional entitlement to relief
- 1217NA Clawback of provisional relief

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Interpretation*

- 1217O Activities involved in developing, producing, running or closing a production
- 1217OA “Company tax return”
- 1217OB Index

## **PART 15D**

### ORCHESTRA TAX RELIEF

## **CHAPTER 1**

### INTRODUCTION

#### *Overview*

- 1217P Overview

### *Interpretation*

- 1217PA “Orchestral concert”
- 1217PB Production company

## **CHAPTER 2**

### TAXATION OF ACTIVITIES OF PRODUCTION COMPANY

#### *Separate orchestral trade*

- 1217Q Separate orchestral trade
- 1217QA Election for concert series

#### *Profits and losses of separate orchestral trade*

- 1217QB Calculation of profits or losses of separate orchestral trade
- 1217QC Income from the production
- 1217QD Costs of the production
- 1217QE When costs are taken to be incurred
- 1217QF Pre-trading expenditure
- 1217QG Estimates

## **CHAPTER 3**

### ORCHESTRA TAX RELIEF

#### *Introduction*

- 1217R Overview of orchestra tax relief

#### *Companies qualifying for orchestra tax relief*

- 1217RA Companies qualifying for orchestra tax relief
- 1217RB The European expenditure condition
- 1217RC “Core expenditure”

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Additional deduction*

- 1217RD Claim for additional deduction
- 1217RE Amount of additional deduction
- 1217RF “Qualifying expenditure”

### *Orchestra tax credits*

- 1217RG Orchestra tax credit claimable if company has surrenderable loss
- 1217RH Amount of surrenderable loss
- 1217RI Payment in respect of orchestra tax credit
- 1217RJ Limit on State aid
- 1217RK No account to be taken of amount if unpaid

### *Anti-avoidance etc*

- 1217RL Tax avoidance arrangements
- 1217RM Transactions not entered into for genuine commercial reasons

## **CHAPTER 4**

### LOSSES OF SEPARATE ORCHESTRAL TRADE

- 1217S Application of sections 1217SA to 1217SC
- 1217SA Restriction on use of losses before completion period
- 1217SB Use of losses in the completion period
- 1217SC Terminal losses

## **CHAPTER 5**

### PROVISIONAL ENTITLEMENT TO RELIEF

- 1217T Provisional entitlement to relief
- 1217TA Clawback of provisional relief

## **CHAPTER 6**

### INTERPRETATION

- 1217U Interpretation

## **PART 15E**

### MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF

## **CHAPTER 1**

### INTRODUCTION

#### *Overview*

- 1218ZA Overview

#### *Interpretation*

- 1218ZAA “Exhibition”



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 1218ZAB “Touring exhibition”
- 1218ZAC Primary production company
- 1218ZAD Secondary production company

## CHAPTER 2

### TAXATION OF ACTIVITIES OF PRODUCTION COMPANY

#### *Separate exhibition trade*

- 1218ZB Separate exhibition trade

#### *Profits and losses of separate exhibition trade*

- 1218ZBA Calculation of profits or losses of separate exhibition trade
- 1218ZBB Income from the production
- 1218ZBC Costs of the production
- 1218ZBD When costs are taken to be incurred
- 1218ZBE Pre-trading expenditure
- 1218ZBF Estimates

## CHAPTER 3

### MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF

#### *Introduction*

- 1218ZC Overview of museums and galleries exhibition tax relief

#### *Companies qualifying for museums and galleries exhibition tax relief*

- 1218ZCA Companies qualifying for museums and galleries exhibition tax relief
- 1218ZCB Interpretation of section 1218ZCA(3)(b) and (c)
- 1218ZCC The European expenditure condition
- 1218ZCD “Core expenditure”

#### *Additional deduction*

- 1218ZCE Claim for additional deduction
- 1218ZCF Amount of additional deduction
- 1218ZCG “Qualifying expenditure”

#### *Museums and galleries exhibition tax credits*

- 1218ZCH Museums and galleries exhibition tax credit claimable if company has surrenderable loss
- 1218ZCI Amount of surrenderable loss
- 1218ZCJ Payment in respect of museums and galleries exhibition tax credit
- 1218ZCK Maximum museums and galleries exhibition tax credits payable
- 1218ZCL No account to be taken of amount if unpaid

#### *Anti-avoidance etc*

- 1218ZCM Tax avoidance arrangements
- 1218ZCN Transactions not entered into for genuine commercial reasons

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

## CHAPTER 4

### LOSSES OF SEPARATE EXHIBITION TRADE

- 1218ZD Application of sections 1218ZDA to 1218ZDC
- 1218ZDA Restriction on use of losses before completion period
- 1218ZDB Use of losses in the completion period
- 1218ZDC Terminal losses

## CHAPTER 5

### PROVISIONAL ENTITLEMENT TO RELIEF

- 1218ZE Provisional entitlement to relief
- 1218ZEA Clawback of provisional relief

## CHAPTER 6

### INTERPRETATION

- 1218ZF Regulations about activities in relation to an exhibition
- 1218ZFA Interpretation

## PART 16

### COMPANIES WITH INVESTMENT BUSINESS

## CHAPTER 1

### INTRODUCTION

- 1217 Overview of Part
- 1218 “Company with investment business” and “investment business”
- 1218A Overview of Part
- 1218B Overview of Part

## CHAPTER 2

### MANAGEMENT EXPENSES

#### *Relief for expenses of management*

- 1219 Expenses of management of a company's investment business
- 1220 Meaning of “unallowable purpose”
- 1221 Amounts treated as expenses of management
- 1222 Income from a source not charged to tax
- 1223 Carrying forward expenses of management and other amounts
- 1223A Exception for basic life assurance and general annuity business

#### *Accounting period to which expenses are referable*

- 1224 Accounting period to which expenses are referable
- 1225 Accounts conforming with GAAP
- 1226 Accounts not conforming with GAAP
- 1227 Accounts not drawn up

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 1227A Management expenses in relation to salaried members of limited liability partnerships

*Claw back of relief*

- 1228 Credits that reverse debits  
1229 Claw back of relief  
1230 Meaning of “reversal amount”  
1231 Absence of accounts

**CHAPTER 3**

AMOUNTS TREATED AS EXPENSES OF MANAGEMENT

*Preliminary*

- 1232 Chapter applies to amounts not otherwise relieved

*Excess capital allowances*

- 1233 Excess capital allowances

*Payments for restrictive undertakings*

- 1234 Payments for restrictive undertakings

*Seconded employees*

- 1235 Employees seconded to charities and educational establishments

*Contributions to agents' expenses*

- 1236 Payroll deduction schemes

*Counselling and retraining expenses*

- 1237 Counselling and other outplacement services  
1238 Retraining courses

*Redundancy payments etc*

- 1239 Redundancy payments and approved contractual payments  
1240 Payments in respect of employment wholly in employer's business  
1241 Payments in respect of employment in more than one capacity  
1242 Additional payments  
1243 Payments made by the Government

*Contributions to local enterprise organisations or urban regeneration companies*

- 1244 Contributions to local enterprise organisations or urban regeneration companies

*Contributions to flood and coastal erosion risk management projects*

- 1244A Contributions to flood and coastal erosion risk management projects

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Export Credits Guarantee Department*

1245 Payments to Export Credits Guarantee Department

### *Levies under FISMA 2000*

1246 Levies under FISMA 2000

## **CHAPTER 4**

### **RULES RESTRICTING DEDUCTIONS**

1247 Introduction  
1248 Expenses in connection with arrangements for securing a tax advantage  
1249 Unpaid remuneration  
1250 Unpaid remuneration: supplementary  
1251 Car ... hire

## **CHAPTER 5**

### **COMPANIES WITH INVESTMENT BUSINESS: RECEIPTS**

1252 Industrial development grants  
1253 Contributions to local enterprise organisations or urban regeneration companies: disqualifying benefits  
1253A Contributions to flood and coastal erosion risk management projects: refunds etc  
1254 Repayments under FISMA 2000

## **CHAPTER 6**

### **SUPPLEMENTARY**

1255 Meaning of some accounting terms

## **PART 17**

### **PARTNERSHIPS**

#### *Introduction*

1256 Overview of Part  
1257 General provisions  
1258 Assessment of firms  
1258A Bare trusts

#### *Calculation of partners' shares*

1259 Calculation of firm's profits and losses  
1260 Section 1259: supplementary  
1261 Accounting periods of firms  
1262 Allocation of firm's profits or losses between partners  
1263 Profit-making period in which some partners have losses  
1264 Loss-making period in which some partners have profits  
1264A Excess profit allocation to non-individual partners etc  
1265 Apportionment of profit share between partner's accounting periods

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Firms with a foreign element*

- 1266 Resident partners and double taxation agreements

*Adjustment on change of basis*

- 1267 Various rules for trades and property businesses  
1268 Election for spreading under Chapter 14 of Part 3  
1269 Interpretation of sections 1267 and 1268

*Miscellaneous*

- 1270 Special provisions about farming and property income  
1271 Sale of patent rights: effect of partnership changes  
1272 Sale of patent rights: effect of later cessation of trade  
1273 Limited liability partnerships  
1273A Limited liability partnerships: salaried members

**PART 18**

UNREMITTABLE INCOME

- 1274 Unremittable income: introduction  
1275 Claim for relief for unremittable income  
1276 Withdrawal of relief  
1277 Income charged on withdrawal of relief after source ceases  
1278 Valuing unremittable income

**PART 19**

GENERAL EXEMPTIONS

*Profits from FOTRA securities*

- 1279 Exemption of profits from securities free of tax to residents abroad  
("FOTRA securities")  
1280 Section 1279: supplementary provision

*Income from savings certificates*

- 1281 Income from savings certificates  
1282 Income from Ulster Savings Certificates

*Miscellaneous*

- 1283 Interest from tax reserve certificates  
1284 Housing grants  
1285 UK company distributions  
1286 VAT repayment supplements  
1287 Incentives to use electronic communications

**PART 20**

GENERAL CALCULATION RULES

**CHAPTER 1**

RESTRICTION OF DEDUCTIONS

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Unpaid remuneration*

- 1288 Unpaid remuneration
- 1289 Unpaid remuneration: supplementary

### *Employee benefit contributions*

- 1290 Employee benefit contributions
- 1291 Making of “employee benefit contributions”
- 1292 Provision of qualifying benefits
- 1293 Timing and amount of certain qualifying benefits
- 1294 Provision or payment out of employee benefit contributions
- 1295 Profits calculated before end of 9 month period
- 1296 Interpretation of sections 1290 to 1296
- 1297 Basic life assurance and general annuity business

### *Business entertainment and gifts*

- 1298 Business entertainment and gifts
- 1299 Business entertainment: exceptions
- 1300 Business gifts: exceptions

### *Miscellaneous*

- 1301 Restriction of deductions for annual payments
- 1301A Restriction of deductions for interest
- 1301B Qualifying charitable donations
- 1302 Social security contributions
- 1303 Penalties and interest
- 1304 Crime-related payments
- 1305 Dividends and other distributions
- 1305A Avoidance schemes involving the transfer of corporate profits

## **CHAPTER 2**

### **OTHER GENERAL RULES**

#### *Miscellaneous profits and losses*

- 1306 Losses calculated on same basis as miscellaneous income
- 1307 Apportionment etc of miscellaneous profits and losses to accounting period

#### *Expenditure on research and development*

- 1308 Expenditure brought into account in determining value of intangible asset

#### *Visiting performers*

- 1309 Payments treated as made to visiting performers

## **PART 21**

### **OTHER GENERAL PROVISIONS**

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Orders and regulations*

1310 Orders and regulations

...

1311 Apportionment to different periods

### *Interpretation*

- 1312 Abbreviated references to Acts
- 1313 Activities in UK sector of continental shelf
- 1314 Meaning of “caravan”
- 1315 Claims and elections
- 1316 Meaning of “connected” persons and “control”
- 1317 Meaning of “farming” and related expressions
- 1318 Meaning of grossing up
- 1319 Other definitions
- 1320 Interpretation: Scotland
- 1321 Interpretation: Northern Ireland

### *Final provisions*

- 1322 Minor and consequential amendments
- 1323 Power to make consequential provision
- 1324 Power to undo changes
- 1325 Transitional provisions and savings
- 1326 Repeals and revocations
- 1327 Index of defined expressions
- 1328 Extent
- 1329 Commencement
- 1330 Short title

---

## SCHEDULES

### SCHEDULE 1 — Minor and consequential amendments

#### Part 1 — INCOME AND CORPORATION TAXES ACT 1988

- 1 The Income and Corporation Taxes Act 1988 (c. 1) is...
- 2 (1) Amend section 6 (the charge to corporation tax and...
- 3 Omit section 8 (general scheme of corporation tax).
- 4 (1) Amend section 9 (computation of income: application of income...
- 5 In section 11 (companies not resident in United Kingdom) omit...
- 6 Omit section 11AA (determination of profits attributable to permanent establishment)....
- 7 Omit section 12(1) to (7ZA) and (9) (basis of, and...
- 8 Omit section 15 (Schedule A).
- 9 Omit section 18 (Schedule D).
- 10 Omit section 21A (computation of amount chargeable under Schedule A)....
- 11 Omit section 21B (application of other rules applicable to Case...
- 12 Omit section 21C (the Schedule A charge and mutual business)....
- 13 (1) Amend section 24 (construction of Part 2) as follows....
- 14 Omit section 30 (expenditure on making sea walls).

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 15 Omit sections 31ZA to 31ZC (deductions for expenditure on energy-saving...
- 16 Omit sections 34 to 39 (premiums, leases at undervalue etc)....
- 17 Omit section 40 (tax treatment of receipts and outgoings on...
- 18 (1) Amend section 42 (appeals against determinations under sections 34...
- 19 Omit section 46 (savings certificates and tax reserve certificates).
- 20 Omit section 53 (farming and other commercial occupation of land...
- 21 Omit section 55 (mines, quarries and other concerns).
- 22 (1) Amend section 56 (transactions in deposits with and without...
- 23 Omit section 70 (basis of assessment etc).
- 24 Omit section 70A (Case V income from land outside UK)....
- 25 Omit section 72 (apportionments etc for purposes of Cases I,...
- 26 Omit section 74 (general rules as to deductions not allowable)....
- 27 Omit section 75 (expenses of management: companies with investment business)....
- 28 Omit section 75A (accounting period to which expenses of management...
- 29 Omit section 75B (amounts reversing expenses of management deducted: charge...
- 30 (1) Amend section 76 (expenses of insurance companies) as follows....
- 31 After section 76 insert— Payments for restrictive undertakings  
Payments for...
- 32 After section 76ZA insert— Seconded employees Employees seconded to charities...
- 33 After section 76ZB insert— Counselling and retraining expenses  
Counselling and...
- 34 After section 76ZC insert— Retraining courses (1) This section applies if— (a) a company carrying on...
- 35 After section 76ZD insert— Retraining courses: recovery of tax (1) This section applies if— (a) an employer's liability to...
- 36 After section 76ZE insert— Redundancy payments etc Redundancy payments and...
- 37 After section 76ZF insert— Payments in respect of employment wholly...
- 38 After section 76ZG insert— Payments in respect of employment in...
- 39 After section 76ZH insert— Additional payments (1) This section applies if the employer's business, or part...
- 40 After section 76ZI insert— Payments by the Government (1) This section applies if— (a) a redundancy payment or...
- 41 After section 76ZJ insert— Contributions to local enterprise organisations or...
- 42 After section 76ZK insert— Unpaid remuneration Unpaid remuneration (1) This section applies if— (a) an amount is charged...
- 43 After section 76ZL insert— Unpaid remuneration: supplementary (1) For the purposes of section 76ZL an amount charged...
- 44 After section 76ZM insert— Car or motor cycle hire Car...
- 45 Income and Corporation Taxes Act 1988
- 46 Omit section 76A (levies and repayments under FISMA 2000).
- 47 Omit section 76B (levies and repayments under the FISMA 2000:...
- 48 Omit section 79 (contributions to local enterprise agencies).
- 49 Omit section 79A (contributions to training and enterprise councils and...



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 50 Omit section 79B (contributions to urban regeneration companies).
- 51 Omit section 82A (expenditure on research and development).
- 52 Omit section 82B (payments to research associations, universities etc).
- 53 Omit section 83 (patent fees etc and expenses).
- 54 Omit section 83A (gifts in kind to charities etc).
- 55 Omit section 84 (gifts to educational establishments).
- 56 (1) Amend section 84A (costs of establishing share option or...
- 57 Omit section 85 (payments to trustees of approved profit sharing...
- 58 Omit section 85A (costs of establishing employee share ownership trust:...
- 59 Omit section 85B (which introduces Schedule 4AA).
- 60 Omit section 86 (employees seconded to charities and educational establishments)....
- 61 Omit section 86A (charitable donations: contributions to agent's expenses).
- 62 Omit sections 87 and 87A (taxable premiums etc).
- 63 Omit section 88 (payments to Export Credits Guarantee Department).
- 64 Omit section 88D (restriction of deductions in respect of certain...
- 65 Omit section 89 (debts proving to be irrecoverable after discontinuance...
- 66 Omit section 90 (additional payments to redundant employees).
- 67 Omit section 91 (cemeteries).
- 68 Omit section 91A (waste disposal: restoration payments).
- 69 Omit sections 91B and 91BA (waste disposal: preparation expenditure).
- 70 Omit section 91C (mineral exploration and access).
- 71 Omit section 92 (regional development grants).
- 72 Omit section 93 (other grants under Industrial Development Act 1982...
- 73 Omit section 94 (debts deducted and subsequently released).
- 74 Omit section 95 (taxation of dealers in respect of distributions...
- 75 In section 95ZA(1) (taxation of UK distributions received by insurance...
- 76 Omit section 97 (treatment of farm animals etc).
- 77 Omit section 98 (tied premises: receipts and expenses treated as...
- 78 Omit section 99 (dealers in land).
- 79 Omit section 100 (valuation of trading stock at discontinuance of...
- 80 Omit section 101 (valuation of work in progress at discontinuance...
- 81 Omit section 102 (provisions supplementary to sections 100 and 101)....
- 82 Omit sections 103 to 106 (Case VI charges on receipts)....
- 83 Omit section 110 (interpretation etc).
- 84 Omit section 111(1) (treatment of partnerships).
- 85 Omit sections 114 and 115 (special rules for computing profits...
- 86 Income and Corporation Taxes Act 1988
- 87 Omit section 118ZA (treatment of limited liability partnerships).
- 88 Omit section 119 (rent etc payable in connection with mines,...
- 89 Omit section 120 (rent etc payable in respect of electric...
- 90 Omit section 121 (management expenses of owner of mineral rights)....
- 91 Omit section 122 (relief in respect of mineral royalties).
- 92 Omit section 125 (annual payments for dividends or non-taxable consideration)....
- 93 Omit section 128(2) and (3) (commodity and financial futures etc:...
- 94 (1) Amend section 130 (meaning of “company with investment business”...
- 95 In section 187(10) (interpretation of sections 185 and 186) for...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 96 Omit section 208 (UK company distributions not generally chargeable to...
- 97 Income and Corporation Taxes Act 1988
- 98 Income and Corporation Taxes Act 1988
- 99 Income and Corporation Taxes Act 1988
- 100 Income and Corporation Taxes Act 1988
- 101 Income and Corporation Taxes Act 1988
- 102 Income and Corporation Taxes Act 1988
- 103 Omit section 337 (company beginning or ceasing to carry on...
- 104 (1) Amend section 337A (computation of company's profits or income:...
- 105 Income and Corporation Taxes Act 1988
- 106 Income and Corporation Taxes Act 1988
- 107 Income and Corporation Taxes Act 1988
- 108 Income and Corporation Taxes Act 1988
- 109 Income and Corporation Taxes Act 1988
- 110 Income and Corporation Taxes Act 1988
- 111 Income and Corporation Taxes Act 1988
- 112 Income and Corporation Taxes Act 1988
- 113 Income and Corporation Taxes Act 1988
- 114 In section 398(b) for "Schedule D" substitute " Part 5...
- 115 Income and Corporation Taxes Act 1988
- 116 Income and Corporation Taxes Act 1988
- 117 Omit section 401 (relief for pre-trading expenditure).
- 118 Income and Corporation Taxes Act 1988
- 119 Income and Corporation Taxes Act 1988
- 120 Income and Corporation Taxes Act 1988
- 121 Income and Corporation Taxes Act 1988
- 122 Income and Corporation Taxes Act 1988
- 123 Income and Corporation Taxes Act 1988
- 124 Income and Corporation Taxes Act 1988
- 125 In section 414(1)(b) (close companies) omit "within the meaning of...
- 126 (1) Amend section 431 (interpretation of provisions relating to insurance...
- 127 (1) Amend section 431G (company carrying on life assurance business)...
- 128 In section 431H(3) (company carrying on life assurance business and...
- 129 (1) Amend section 432YA (long-term business other than life assurance...
- 130 (1) Amend section 432A (apportionment of income and gains) as...
- 131 (1) Amend section 432AA (Schedule A business or overseas property...
- 132 (1) Amend section 432AB (losses from Schedule A business or...
- 133 In section 434(1) (franked investment income etc ) for "provisions...
- 134 (1) Amend section 434A (computation of losses and limitation of...
- 135 (1) Amend section 436A (gross roll-up business: separate charge on...
- 136 In section 440(6) (transfers of assets etc ) for "in...
- 137 In section 440A(7) (securities) for "in accordance with Case I...
- 138 (1) Amend section 440B (modifications where tax charged under Case...
- 139 (1) Amend section 440C (modifications for change of tax basis)...
- 140 In section 442(2) (overseas business of UK companies) for "of...
- 141 In section 442A(1) (taxation of investment return where risk reinsured)...
- 142 (1) Amend section 444AZA (transfers of life assurance business: Case...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 143 (1) Amend section 444AZB (transfers of life assurance business: Case...
- 144 In section 444ABD(1A) (transferor's period of account including transfer)—
- 145 (1) Amend section 444AEA (transfer schemes: anti-avoidance rule) as follows....
- 146 (1) Amend section 444AEB (Case I advantage: transferor) as follows....
- 147 (1) Amend section 444AEC (Case I advantage: transferee) as follows....
- 148 (1) Amend section 444AECA (parts of transfer scheme arrangements: anti-avoidance...
- 149 (1) Amend section 444AECB (parts of transfer scheme arrangements: Case...
- 150 (1) Amend section 444AECC (parts of transfer scheme arrangements: Case...
- 151 (1) Amend section 444AED (clearance: no avoidance or group advantage)...
- 152 In section 444AF(5) (demutualisation surplus: life assurance business) —
- 153 In section 444AH (modification of section 444AG etc for Case...
- 154 In section 444AK(3) (mutual surplus: gross roll-up business) for “provisions...
- 155 In section 444BA(1) (equalisation reserves for general business) for “Case...
- 156 In section 444BB(2) (modification of section 444BA for mutual or...
- 157 Omit section 469(4A) to (5) and (6) (other unit trusts)....
- 158 Omit section 472A (trading profits etc from securities: taxation of...
- 159 Omit section 473 (conversion etc of securities held as circulating...
- 160 In section 475 (tax-free Treasury securities: exclusion of interest on...
- 161 In section 477A (building societies: loan relationships), omit subsections (3)(a)...
- 162 Omit section 477B (incidental costs of issuing qualifying shares).
- 163 (1) Amend section 486 (registered societies and co-operative associations) as...
- 164 Omit section 487 (credit unions).
- 165 Omit section 491 (distribution of assets of body corporate carrying...
- 166 Income and Corporation Taxes Act 1988
- 167 Income and Corporation Taxes Act 1988
- 168 Income and Corporation Taxes Act 1988
- 169 Income and Corporation Taxes Act 1988
- 170 Income and Corporation Taxes Act 1988
- 171 Income and Corporation Taxes Act 1988
- 172 In section 503(1)(a) (letting of furnished holiday accommodation treated as...
- 173 Omit section 504 (meaning of “commercial letting of furnished holiday...
- 174 Income and Corporation Taxes Act 1988
- 175 Income and Corporation Taxes Act 1988
- 176 Omit section 509 (reserves of marketing boards etc).
- 177 Income and Corporation Taxes Act 1988
- 178 For section 518(2) (harbour reorganisation schemes) substitute—
- 179 Omit section 524 (taxation of receipts from sale of patent...
- 180 Omit section 525 (capital sums: winding up or partnership change)....
- 181 Omit section 526 (relief for expenses).
- 182 Omit section 528 (manner of making allowances and charges).

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 183 Omit section 531 (provisions supplementary to section 530).
- 184 Omit section 532 (application of Capital Allowances Act).
- 185 Omit section 533 (interpretation of sections 520 to 532).
- 186 Omit section 556 (activity treated as trade etc and attribution...
- 187 Omit section 558(5) and (6) (visiting performers: supplementary provisions).
- 188 In section 568(1) (deductions from profits of contributions paid under...
- 189 In section 570(4) (payments under certified schemes which are not...
- 190 (1) Amend section 571 (cancellation of certificates) as follows.
- 191 Omit section 577 (business entertaining expenses).
- 192 Omit section 577A (expenditure involving crime).
- 193 Omit section 578 (housing grants).
- 194 Omit sections 578A and 578B (expenditure on car hire).
- 195 Omit sections 579 and 580 (statutory redundancy payments).
- 196 Omit section 582 (funding bonds issued in respect of interest...
- 197 Omit section 584 (relief for unremittable overseas income).
- 198 Omit sections 586 and 587 (disallowance of deductions for war...
- 199 In section 587B(2)(b) (gifts of shares, securities and real property...
- 200 Omit section 588 (training courses for employees).
- 201 Omit section 589A (counselling services for employees).
- 202 Omit section 589B(5) (interpretation of section 589A).
- 203 Omit section 617 (social security benefits and contributions).
- 204 Omit section 695 (limited interests in residue).
- 205 Omit section 696 (absolute interests in residue).
- 206 Omit section 697 (supplementary provisions as to absolute interests in...
- 207 Omit section 698 (special provisions as to certain interests in...
- 208 Omit section 699A (untaxed sums comprised in the income of...
- 209 In section 700 (adjustments and information)— (a) omit subsections (1)...
- 210 Omit section 701 (interpretation).
- 211 Omit section 702 (application to Scotland).
- 212 In section 703(3) (cancellation of corporation tax advantage) omit the...
- 213 In section 709(2) (meaning of “corporation tax advantage” and other...
- 214 Income and Corporation Taxes Act 1988
- 215 Income and Corporation Taxes Act 1988
- 216 In section 736C(9) (deemed interest: cash collateral under stock lending...
- 217 In section 747(1B) (controlled foreign companies: company residence for purposes...
- 218 In section 751(3) (controlled foreign companies: accounting periods) for “subsections...
- 219 (1) Amend section 755A (treatment of chargeable profits and creditable...
- 220 (1) Amend section 761 (charge to income tax or corporation...
- 221 Income and Corporation Taxes Act 1988
- 222 Income and Corporation Taxes Act 1988
- 223 Income and Corporation Taxes Act 1988
- 224 Income and Corporation Taxes Act 1988
- 225 In section 774(1) (transactions between dealing company and associated company)...
- 226 Income and Corporation Taxes Act 1988
- 227 Income and Corporation Taxes Act 1988
- 228 Income and Corporation Taxes Act 1988

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 229 Income and Corporation Taxes Act 1988
- 230 Income and Corporation Taxes Act 1988
- 231 (1) Amend section 776 (transactions in land: taxation of capital...
- 232 (1) Amend section 779 (sale and lease-back: limitation on tax...
- 233 In section 780(3A) (sale and lease-back: taxation of consideration received)...
- 234 (1) Amend section 781 (assets leased to traders and others)...
- 235 In section 782(9) (leased assets: special cases) omit the words...
- 236 In section 785 (definitions for purposes of sections 781 to...
- 237 In section 785ZA(3) (restrictions on use of losses: leasing partnerships)...
- 238 In section 785ZB(8) (section 785ZA: definitions)— (a) in paragraph (a)...
- 239 In section 785C(4)(a) (section 785B: interpretation) for “under Schedule A”...
- 240 In section 785D(3) (section 785B: lease of plant and machinery...
- 241 (1) Amend section 786 (transactions associated with loans or credit)...
- 242 (1) Amend section 787 (restriction of relief for payments of...
- 243 In section 788(7) (relief by agreement with other territories) omit...
- 244 In section 790(11) (unilateral relief) omit the words from “,...
- 245 In section 795(4) (computation of income subject to foreign tax)—...
- 246 (1) Amend section 797 (limits on credit: corporation tax) as...
- 247 (1) Amend section 797A (foreign tax on items giving rise...
- 248 Income and Corporation Taxes Act 1988
- 249 Income and Corporation Taxes Act 1988
- 250 Income and Corporation Taxes Act 1988
- 251 Income and Corporation Taxes Act 1988
- 252 Income and Corporation Taxes Act 1988
- 253 Income and Corporation Taxes Act 1988
- 254 Income and Corporation Taxes Act 1988
- 255 Income and Corporation Taxes Act 1988
- 256 Income and Corporation Taxes Act 1988
- 257 Income and Corporation Taxes Act 1988
- 258 Income and Corporation Taxes Act 1988
- 259 Income and Corporation Taxes Act 1988
- 260 Income and Corporation Taxes Act 1988
- 261 Income and Corporation Taxes Act 1988
- 262 Income and Corporation Taxes Act 1988
- 263 Income and Corporation Taxes Act 1988
- 264 Income and Corporation Taxes Act 1988
- 265 Omit section 817 (deductions not to be allowed in computing...
- 266 In section 821(1)(a) (under-deductions from payments made before passing of...
- 267 (1) Amend section 826 (interest on tax overpaid) as follows....
- 268 Omit section 827 (VAT penalties etc).
- 269 (1) Amend section 828 (orders and regulations made by the...
- 270 Omit section 830(2) to (4) (territorial sea and designated areas)....
- 271 In section 831(3) (interpretation of ICTA) before the definition of...
- 272 Income and Corporation Taxes Act 1988
- 273 Income and Corporation Taxes Act 1988
- 274 Income and Corporation Taxes Act 1988
- 275 Income and Corporation Taxes Act 1988
- 276 Income and Corporation Taxes Act 1988

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 277 Income and Corporation Taxes Act 1988
- 278 Omit Schedule A1 (determination of profits attributable to permanent establishment:...
- 279 Omit Schedule 4AA (share incentive plans: corporation tax deductions).
- 280 Omit Schedule 5 (treatment of farm animals etc for purposes...
- 281 In paragraph 13(3) of Schedule 18A (group relief: overseas losses...
- 282 (1) Amend Schedule 19ABA (modification of life assurance provisions of...
- 283 In paragraph 6(6)(b) of Schedule 19B (petroleum extraction activities: exploration...
- 284 (1) Amend Schedule 19C (petroleum extraction activities: ring fence expenditure...
- 285 (1) Amend Schedule 23A (manufactured dividends and interest) as follows....
- 286 (1) Amend Schedule 24 (assumptions for calculating chargeable profits, creditable...
- 287 (1) Amend Schedule 25 (cases where section 747(3) does not...
- 288 In Schedule 26 (reliefs against liability for tax in respect...
- 289 (1) Amend Schedule 27 (distributing funds) as follows.
- 290 (1) Amend Schedule 28A (change in ownership of company with...
- 291 (1) Amend Schedule 28AA (provision not at arm's length) as...
- 292 (1) Amend Schedule 30 (transitional provisions and savings) as follows....

## Part 2 — OTHER ENACTMENTS

### *Finance Act 1950 (c. 15)*

- 293 The Finance Act 1950 is amended as follows.
- 294 In section 39(3) (treatment for taxation purposes of enemy debts...

### *Taxes Management Act 1970 (c. 9)*

- 295 The Taxes Management Act 1970 is amended as follows.
- 296 In section 12(5) (information about chargeable gains) for “section 100(2)...
- 297 Omit section 12AE (choice between different Cases of Schedule D)....
- 298 In section 17 (interest paid or credited by banks, building...
- 299 In section 18 (interest paid without deduction of income tax)...
- 300 (1) Amend section 19 (information for purposes of charge on...
- 301 Omit section 31(3) (appeals: right of appeal).
- 302 In section 42(7) (procedure for making claims etc)—
- 303 In section 46B(5) (questions to be determined by Special Commissioners),...
- 304 In section 71(1) (bodies of persons) omit the words from...
- 305 In section 87A(4A)(b) (interest on overdue corporation tax etc) for...
- 306 (1) Amend section 90 (disallowance of relief for interest on...
- 307 (1) Amend section 98 (special returns, etc) as follows.
- 308 After section 109 insert— Residence of companies Chapter 3 of Part 2 of CTA 2009 (rules for...
- 309 In section 118 (interpretation) at the appropriate place insert— “CTA...
- 310 In Schedule 3 (rules for assigning proceedings to General Commissioners),...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Finance Act 1973 (c. 51)*

- 311 The Finance Act 1973 is amended as follows.
- 312 In paragraph 2(a) of Schedule 15 (territorial extension of charge...

*Oil Taxation Act 1975 (c. 22)*

- 313 The Oil Taxation Act 1975 is amended as follows.
- 314 In section 3(2) (allowance of expenditure (other than expenditure on...

*Inheritance Tax Act 1984 (c. 51)*

- 315 The Inheritance Tax Act 1984 is amended as follows.
- 316 (1) Amend section 91 (administration period) as follows.
- 317 In section 94(2)(a) (charge on participators) for “section 208 of...

*Films Act 1985 (c. 21)*

- 318 The Films Act 1985 is amended as follows.
- 319 In paragraph 1(1) of Schedule 1 (certification of British films...

*Airports Act 1986 (c. 31)*

- 320 The Airports Act 1986 is amended as follows.
- 321 In section 77(3) (corporation tax) for “Chapter II of Part...

*Finance Act 1986 (c. 41)*

- 322 The Finance Act 1986 is amended as follows.
- 323 In section 78(7)(d) (loan capital) after “2005” insert “ or...
- 324 In section 79 (loan capital: new provisions)—
- 325 In section 99(9A) (interpretation) after “2005” insert “ or section...

*Gas Act 1986 (c. 44)*

- 326 The Gas Act 1986 is amended as follows.
- 327 In section 60(3) (tax provisions) for “Chapter II of Part...

*British Steel Act 1988 (c. 35)*

- 328 The British Steel Act 1988 is amended as follows.
- 329 In section 11(7) (corporation tax) for “Chapter II of Part...

*Finance Act 1988 (c. 39)*

- 330 The Finance Act 1988 is amended as follows.
- 331 Omit section 65 (commercial woodlands).
- 332 Omit section 66 (company residence).
- 333 Omit section 66A (residence of SE or SCE).
- 334 Omit section 73(2) to (4) (consideration for certain restrictive undertakings)....
- 335 Omit Schedule 6 (commercial woodlands).
- 336 Omit Schedule 7 (exceptions to the rule in section 66(1))....
- 337 In paragraph 3 of Schedule 12 (building societies: change of...

*Finance Act 1989 (c. 26)*

- 338 The Finance Act 1989 is amended as follows.

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 339 Omit section 43 (Schedule D: computation (unpaid remuneration)).
- 340 Omit section 44 (companies with investment business and insurance companies:...
- 341 In section 82(1) (calculation of profits: bonuses etc ) for...
- 342 In section 82D(2) (treatment of profits: life assurance adjustment consequent on...
- 343 In section 82E(7) (section 82D: treatment of transferors under insurance...
- 344 (1) Amend section 83 (receipts to be taken into account)...
- 345 (1) Amend section 83YC (FAFTS: charge in relevant period of...
- 346 In section 83YD(3)(a) (FAFTS: deduction in subsequent periods of account)...
- 347 (1) Amend section 83YF (financial reinsurance arrangements: further provision) as...
- 348 (1) Amend section 85 (charge of certain receipts of basic...
- 349 (1) Amend section 85A (excess adjusted Case I profits) as...
- 350 In section 88(3)(b) (corporation tax: policy holders' share of profits)...
- 351 (1) Amend section 89 (policy holders' share of profits) as...

*Finance Act 1990 (c. 29)*

- 352 The Finance Act 1990 is amended as follows.
- 353 Omit section 126(2) and (3) (pools payments for football ground...
- 354 In Schedule 14 (amendments correcting errors in ICTA) omit paragraph...

*Finance Act 1991 (c. 31)*

- 355 The Finance Act 1991 is amended as follows.
- 356 For section 65(5) (reimbursement by defaulter in respect of certain...
- 357 Omit section 121(2) and (3) (pools payments to support games...

*Taxation of Chargeable Gains Act 1992 (c. 12)*

- 358 The Taxation of Chargeable Gains Act 1992 is amended as...
- 359 In section 1(2) (the charge to tax) for “section 6...
- 360 In section 10B (non-resident company with United Kingdom permanent establishment)...
- 361 In section 33A (value shifting: modification of sections 30 to...
- 362 In section 40(4) (interest charged to capital) after “relationships” insert...
- 363 In section 41(4) (restriction of losses by reference to capital...
- 364 In section 48(4) (consideration due after time of disposal) for...
- 365 (1) Amend section 59 (partnerships) as follows.
- 366 (1) Amend section 116 (reorganisations, conversions and reconstructions) as follows....
- 367 After section 116 insert— Holding beginning or ceasing to fall...
- 368 In section 117(6D) (meaning of “qualifying corporate bond”) after “section...
- 369 In section 143(1) (commodity and financial futures and qualifying options)—...
- 370 After section 151D insert— Exchange gains and losses from loan...
- 371 In section 156(4) (assets of Class 1)—



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 372 After section 156 insert— Intangible fixed assets: roll-over relief (1)  
This section applies if a company is entitled to...
- 373 In section 158(2) (activities other than trades, and interpretation) omit...
- 374 In section 161(3)(a) (appropriations to and from stock) for “under...
- 375 In section 170(9)(c) (interpretation of sections 171 to 181) omit...
- 376 In section 171(3A) (transfers within a group: general provisions) for...
- 377 Omit section 201(2) (relationship between section 201 of TCGA 1992...
- 378 For section 203(1) substitute— (1) Sections 274 to 276 of...
- 379 (1) Amend section 210A (ring-fencing of losses) as follows.
- 380 (1) Amend section 241 (furnished holiday lettings) as follows.
- 381 In section 251(8) (general provisions) omit— (a) paragraph (a), and...
- 382 In section 253(3) (relief for loans to traders) for “Chapter...
- 383 In section 275B (section 275A: supplementary provisions) for  
subsection (3)...
- 384 After section 286 insert— Residence of companies Chapter 3 of Part 2  
of CTA 2009 (rules for...
- 385 In section 288(1) (interpretation)— (a) at the appropriate place insert  
—...
- 386 In Schedule 7AC (exemptions for disposals by companies with  
substantial...
- 387 In Schedule 7D (approved share schemes and share incentives), in...
- 388 (1) Amend Schedule 8 (leases) as follows.

*Finance (No. 2) Act 1992 (c. 48)*

- 389 The Finance ( No. 2) Act 1992 is amended as...
- 390 (1) Amend paragraph 3 of Schedule 12 (banks etc in...

*Finance Act 1994 (c. 9)*

- 391 The Finance Act 1994 is amended as follows.
- 392 (1) Amend section 219 (Lloyd's underwriters: taxation of profits) as...
- 393 In section 220(3) (accounting period in which certain profits or...
- 394 In section 225(4) (stop-loss and quota share insurance) in the...
- 395 In section 226(3) (provisions which are not to apply) for...
- 396 In section 229(1)(ca) (regulations) for sub-paragraph (ii) substitute—
- 397 Omit sections 249 and 250 (certain companies treated as non-  
resident)....
- 398 In paragraph 20(1) of Schedule 24 (provisions relating to the...

*Finance Act 1995 (c. 4)*

- 399 The Finance Act 1995 is amended as follows.
- 400 In section 126(7A) (UK representatives of non-residents) omit  
paragraph (b)...
- 401 In section 127(1) (persons not treated as UK representatives)—

*Finance Act 1996 (c. 8)*

- 402 The Finance Act 1996 is amended as follows.
- 403 Omit section 80 (taxation of loan relationships).
- 404 Omit section 81 (meaning of “loan relationship” etc).
- 405 Omit section 82 (methods of bringing amounts into account).
- 406 Omit section 83 (non-trading deficit on loan relationships).
- 407 Omit section 84 (debits and credits brought into account).

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 408 Omit section 84A (exchange gains and losses from loan relationships)....
- 409 Omit section 85A (computation in accordance with generally accepted accounting...
- 410 Omit section 85B (amounts recognised in determining a company's profit...
- 411 Omit section 85C (amounts not fully recognised for accounting purposes)....
- 412 Omit section 87 (accounting method where parties have a connection)....
- 413 Omit section 87A (meaning of “control” in section 87).
- 414 Omit section 88 (exemption from section 87 in certain cases)....
- 415 Omit section 88A (accounting method where rate of interest is...
- 416 Omit section 90A (change of accounting basis applicable to assets...
- 417 Omit section 91A (shares subject to outstanding third party obligations)....
- 418 Omit section 91B (non-qualifying shares).
- 419 Omit section 91C (Condition 1 for section 91B(6)(b)).
- 420 Omit section 91D (Condition 2 for section 91B(6)(b)).
- 421 Omit section 91E (Condition 3 for section 91B(6)(b)).
- 422 Omit section 91F (power to add, vary or remove Conditions...
- 423 Omit section 91G (shares beginning or ceasing to be subject...
- 424 Omit section 91H (payments in return for capital contribution).
- 425 Omit section 91I (change of partnership shares).
- 426 Omit section 93C (creditor relationships and benefit derived by connected...
- 427 Omit section 94 (indexed gilt-edged securities).
- 428 Omit section 94A (loan relationships with embedded derivatives).
- 429 Omit section 94B (loan relationships treated differently by connected debtor...
- 430 Omit section 95 (gilt strips).
- 431 Omit section 96 (special rules for certain other gilts).
- 432 Omit section 97 (manufactured interest).
- 433 Omit section 98 (collective investment schemes).
- 434 Omit section 99 (insurance companies).
- 435 Omit section 100 (money debts etc not arising from the...
- 436 Omit section 101 (financial instruments).
- 437 Omit section 103 (interpretation of Chapter).
- 438 In section 154 (FOTRA securities), omit subsections (2), (3), (5),...
- 439 In section 203(9) (modification of the Agriculture Act 1993) for...
- 440 Omit Schedule 8 (loan relationships: claims etc relating to deficits)....
- 441 Omit Schedule 9 (loan relationships: special computational provisions).
- 442 Omit Schedule 10 (loan relationships: collective investment schemes).
- 443 Omit Schedule 11 (loan relationships: special provisions for insurers).
- 444 (1) Amend Schedule 15 (loan relationships: savings and transitional provisions)...

*Broadcasting Act 1996 (c. 55)*

- 445 The Broadcasting Act 1996 is amended as follows.
- 446 (1) Amend Schedule 7 (transfer schemes relating to BBC transmission...

*Finance Act 1997 (c. 16)*

- 447 The Finance Act 1997 is amended as follows.
- 448 In Schedule 12 (leasing arrangements: finance leases and loans), in...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Finance (No. 2) Act 1997 (c. 58)*

- 449 The Finance (No. 2) Act 1997 is amended as follows....  
450 Omit section 40 (carry-back of loan relationship deficits).

*Finance Act 1998 (c. 36)*

- 451 The Finance Act 1998 is amended as follows.  
452 Omit section 42 (computation of profits of trade, profession or...  
453 In section 46 (minor and consequential provisions about computations)  
omit...  
454 (1) Amend Schedule 18 (company tax returns, assessments and related...

*Finance Act 1999 (c. 16)*

- 455 The Finance Act 1999 is amended as follows.  
456 Omit section 54 (tax treatment of reverse premiums).  
457 Omit section 63 (treatment of transfer fees under existing contracts)....  
458 (1) Amend section 81 (acquisitions disregarded under insurance  
companies concession)...  
459 Omit Schedule 6 (tax treatment of receipts by way of...

*Commonwealth Development Corporation Act 1999 (c. 20)*

- 460 The Commonwealth Development Corporation Act 1999 is amended as  
follows....  
461 (1) Amend paragraph 6 of Schedule 3 (tax) as follows....

*Finance Act 2000 (c. 17)*

- 462 The Finance Act 2000 is amended as follows.  
463 (1) Amend section 46 (exemption for small trades etc) as...  
464 Omit section 50 (phasing out of relief for payments to...  
465 Omit section 69(1) (which introduces Schedule 20).  
466 Omit section 143(2) (power to provide incentives to use electronic...  
467 In Schedule 12 (provision of services through an intermediary) omit...  
468 In Schedule 15 (the corporate venturing scheme) in paragraph 60(1)...  
469 Omit Schedule 20 (tax relief for expenditure on research and...  
470 (1) Amend Schedule 22 (tonnage tax) as follows.

*Transport Act 2000 (c. 38)*

- 471 The Transport Act 2000 is amended as follows.  
472 (1) Amend Schedule 7 (transfer schemes: tax) as follows.  
473 (1) Amend Schedule 26 (transfers: tax) as follows.

*Capital Allowances Act 2001 (c. 2)*

- 474 The Capital Allowances Act 2001 is amended as follows.  
475 In section 2(4) (general means of giving effect to capital...  
476 In section 15(1)(f) (qualifying activities) for “section 55(2) of ICTA”...  
477 In section 16 (ordinary property business) omit “, or a...  
478 (1) Amend section 17 (furnished holiday lettings) as follows.  
479 (1) Amend section 18 (managing investments of a company with...  
480 In section 28(2B)(a) (thermal insulation of buildings) for  
“section 31ZA...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 481 In section 38 (production animals etc) for paragraphs (a) and...
- 482 (1) Amend section 63 (cases in which disposal value is...
- 483 In section 105(3)(a) (“profits chargeable to tax”) for “section 830(4)...
- 484 (1) Amend section 106 (the designated period) as follows.
- 485 (1) Amend section 108 (effect of disposal to connected person...
- 486 (1) Amend section 112 (excess allowances: connected persons) as follows....
- 487 (1) Amend section 115 (prohibited allowances: connected persons) as follows....
- 488 (1) Amend section 122 (short-term leasing by buyer, lessee, etc)...
- 489 (1) Amend section 125 (other qualifying purposes) as follows.
- 490 In section 252 (mines, transport undertakings etc) for “section 55(2)...
- 491 (1) Amend section 253 (companies with investment business) as follows....
- 492 (1) Amend section 256 (different giving effect rules for different...
- 493 In section 257(2)(a) (supplementary) for “Case I” substitute “ life...
- 494 In section 260(8) (special leasing: corporation tax (excess allowance)) for...
- 495 (1) Amend section 263 (qualifying activities carried on in partnership)...
- 496 (1) Amend section 265 (successions: general) as follows.
- 497 In section 282 (buildings outside the United Kingdom) for the...
- 498 In section 291(3)(a) (supplementary provisions with respect to elections) for...
- 499 In section 326(1) (interpretation of section 325), in the definition...
- 500 In section 331(1)(b) (meaning of “capital value”) for sub-paragraph (i)...
- 501 (1) Amend section 353 (lessors and licensors) as follows.
- 502 (1) Amend section 354 (buildings temporarily out of use) as...
- 503 In section 390(1) (interpretation of section 389), in the definition...
- 504 (1) Amend section 392 (UK property business and Schedule A...
- 505 In section 393B(4) (meaning of “qualifying expenditure”) omit “or Schedule...
- 506 In section 393J(3)(a) (entitlement to writing-down allowances) for “section 38(1)...
- 507 (1) Amend section 393T (giving effect to allowances and charges)...
- 508 (1) Amend section 406 (reduction where premium relief previously allowed)...
- 509 In section 454(1)(c) (qualifying expenditure) for “section 531(3)(a) of ICTA”...
- 510 In section 455(4) (excluded expenditure) for “section 531(2) of ICTA”...
- 511 In section 462(3) (disposal values) for “section 531(2) of ICTA”...
- 512 In section 481(5)(b) (anti-avoidance: limit on qualifying expenditure) for “section...
- 513 In section 483(c) (meaning of “income from patents”) for “section...
- 514 In section 488(3)(a) (balancing allowances) for “section 18 of ITTOIA...
- 515 (1) Amend section 529 (giving effect to allowances and charges)...
- 516 In section 536(5)(a)(v) (contributions not made by public bodies and...
- 517 In section 545(4) (investment assets) for “Case I of Schedule...
- 518 (1) Amend section 558 (effect of partnership changes) as follows....
- 519 (1) Amend section 559 (effect of successions) as follows.
- 520 (1) Amend section 577 (other definitions) as follows.
- 521 (1) Amend Schedule A1 (first-year tax credits) as follows.
- 522 (1) Amend Schedule 1 (abbreviations and defined expressions) as follows....

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Finance Act 2001 (c. 9)*

- 523 The Finance Act 2001 is amended as follows.
- 524 Omit section 70(1) and (2) (which introduces Schedule 22).
- 525 Omit Schedule 22 (remediation of contaminated land).

*Finance Act 2002 (c. 23)*

- 526 The Finance Act 2002 is amended as follows.
- 527 Omit section 53 (which introduces Schedule 12 to that Act)...
- 528 Omit section 54 (which introduces Schedules 13 and 14 to...
- 529 Omit section 55 (gifts of medical supplies and equipment).
- 530 Omit section 64 (adjustment on change of basis).
- 531 (1) Amend section 65 (postponement of change to mark to...
- 532 Omit section 71 (accounting method where rate of interest etc...
- 533 In section 81(3)(b) (transitional provision) for “Chapter 2 of Part...
- 534 In section 83 (derivative contracts) omit subsections (1)(a) and (2)...
- 535 Omit section 84(1) (gains and losses from intangible fixed assets...
- 536 Omit Schedule 12 (tax relief for expenditure on research and...
- 537 Omit Schedule 13 (tax relief for expenditure on vaccine research...
- 538 In Schedule 16 (community investment tax relief) in paragraph 27(4)...
- 539 (1) Amend Schedule 18 (relief for community amateur sports clubs)...
- 540 Omit Schedule 22 (computation of profits: adjustment on change of...
- 541 (1) Amend Schedule 23 (exchange gains and losses from loan...
- 542 In Schedule 25 (loan relationships) omit paragraphs 61 to 64....
- 543 Omit Schedule 26 (derivative contracts).
- 544 (1) Schedule 28 (derivative contracts: transitional provisions etc) is amended...
- 545 Omit Schedule 29 (gains and losses of a company from...

*Proceeds of Crime Act 2002 (c. 29)*

- 546 The Proceeds of Crime Act 2002 is amended as follows....
- 547 (1) Amend Schedule 10 (tax) as follows.

*Income Tax (Earnings and Pensions) Act 2003 (c. 1)*

- 548 The Income Tax (Earnings and Pensions) Act 2003 is amended...
- 549 In section 61(1) (interpretation) in the definition of “business” for...
- 550 In section 178(d) (exception for loans where interest qualifies for...
- 551 In section 180(5)(d) (threshold for benefit of loan to be...
- 552 (1) Amend section 357 (business entertainment and gifts: exception where...
- 553 In section 420(1)(h) (meaning of securities etc) at the end...
- 554 (1) Amend section 515 (which refers to other provisions which...
- 555 In section 702(5B) (which sets out what shares are corporation...
- 556 In Schedule 1 (abbreviations and defined expressions)—
- 557 In Schedule 2 (approved share incentive plans), in paragraph 85(1)(c),...

*Finance Act 2003 (c. 14)*

- 558 The Finance Act 2003 is amended as follows.
- 559 Omit section 141 (corporation tax for employee share acquisitions).
- 560 Omit section 143 (restriction of deductions for employee benefit contributions)....

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 561 In section 148 (meaning of “permanent establishment”)—
- 562 (1) Amend section 150 (non-resident companies: assessment, collection and recovery...
- 563 In section 152(2) (non-resident companies: transactions carried out through broker,...
- 564 After section 177(4) (currency contracts and currency options) insert—
- 565 In section 195(9)(b) (companies acquiring their own shares) for the...
- 566 Omit Schedule 23 (corporation tax relief for employee share acquisitions)....
- 567 Omit Schedule 24 (restriction of deductions for employee benefit contributions)....
- 568 In paragraph 5A(2) of Schedule 26 (non-resident companies: transactions through...

#### *Finance Act 2004 (c. 12)*

- 569 The Finance Act 2004 is amended as follows.
- 570 In section 71 (collection and recovery of sums to be...
- 571 Other enactments
- 572 (1) Amend section 131 (companies in partnership) as follows.
- 573 (1) Amend section 196 (relief for employers in respect of...
- 574 In section 196A(4) (power to restrict relief)—
- 575 In section 197(10) (spreading of relief)— (a) in paragraph (a),...
- 576 In section 199A(10) (indirect contributions)— (a) in paragraph (a) for...
- 577 In section 200 (no other relief for employers in respect...
- 578 (1) Amend section 246 (restriction of deduction for non-contributory provision)...
- 579 In section 246A(4) (case where no relief for provision by...
- 580 In section 280(1) (abbreviations and general index)—
- 581 (1) Amend Schedule 26 (offshore funds) as follows.

#### *Energy Act 2004 (c. 20)*

- 582 The Energy Act 2004 is amended as follows.
- 583 (1) Amend section 27 (tax exemption for NDA activities) as...
- 584 (1) Amend section 28 (taxation of activities of the Nuclear...
- 585 In section 44(2) (extinguishment of BNFL losses for tax purposes)—...
- 586 (1) Amend Schedule 9 (taxation provisions relating to nuclear transfer...

#### *Income Tax (Trading and Other Income) Act 2005 (c. 5)*

- 587 The Income Tax (Trading and Other Income) Act 2005 is...
- 588 In section 22(2)(b) (payments for wayleaves) for “would otherwise be...
- 589 (1) Amend section 48 (car or motor cycle hire) as...
- 590 In section 49(2)(b) (car or motor cycle hire: supplementary) after...
- 591 In section 60(6) (tenants under taxed leases: introduction) after “288”...
- 592 (1) Amend section 64 (restriction on section 61 expenses: lease...
- 593 In section 65(1)(a) (restrictions on section 61 expenses: lease of...
- 594 In the title of section 66 (corporation tax receipts treated...
- 595 (1) Amend section 67 (restrictions on section 61 expenses: corporation...
- 596 (1) Amend section 71 (educational establishments) as follows.
- 597 Omit section 79(2) (additional payments: change in persons carrying on...
- 598 After section 79 insert— Additional payments: change in the persons...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 599 In section 80(2) (payments made by the Government) for “79”...
- 600 In section 88(6)(b) (payments to research associations, universities etc) before...
- 601 (1) Amend section 155 (levies and repayments under FISMA 2000)...
- 602 In section 158(1)(d) (lease premiums etc: reduction of receipts) for...
- 603 In section 170(3)(b) (deduction for capital expenditure) for “section 91(1)(b)...
- 604 In section 171(2)(d) (allocation of ancillary capital expenditure) for “section...
- 605 In section 175(2) (basis of valuation of trading stock)—
- 606 In section 176(1)(a) (sale basis of valuation: sale to unconnected...
- 607 In section 177(1)(a) (sale basis of valuation: sale to connected...
- 608 In section 178(1)(a) (sale basis of valuation: election by connected...
- 609 (1) Amend section 180 (cost to buyer of stock valued...
- 610 In section 184(1) (basis of valuation of work in progress)—
- 611 In section 194(7) (disposal of know-how as part of disposal...
- 612 In section 246(2) (basic meaning of “post-cessation receipt”) for the...
- 613 In section 249(3) (debts released after cessation) for the words...
- 614 In section 276(3) (introduction to Chapter 4 of Part 3)...
- 615 In section 279(3) for “or of” substitute “ of or...
- 616 In the title of section 281 (sums payable for variation...
- 617 (1) Amend section 287 (circumstances in which additional calculation rule...
- 618 (1) Amend section 288 (the additional calculation rule) as follows....
- 619 (1) Amend section 290 (meaning of “unused amount” and “unreduced...
- 620 (1) Amend section 293 (restrictions on section 292 expenses: the...
- 621 For section 294(1)(c) (restriction on section 292 expenses: lease of...
- 622 For section 295(2)(b) (limit on reductions and deductions) substitute—
- 623 In section 296(1)(a) (corporation tax receipts treated as taxed receipts)...
- 624 In section 298 (taking account of deductions for rent as...
- 625 In section 299(1)(b) (payment of tax by instalments) for “term”...
- 626 (1) Amend section 303 (rules for determining effective duration of...
- 627 (1) Amend section 304 (applying the rules in section 303)...
- 628 In section 318(4) for “section 30 of ICTA” substitute “...
- 629 (1) Amend section 356 (application to Schedule A businesses) as...
- 630 In section 413(4) (person liable) for paragraph (b) substitute—
- 631 In section 419(2) (loans and advances to persons who die)...
- 632 In section 466(3) (person liable: personal representatives) for “section 701(8)...
- 633 In section 496(7) (modification of section 494: qualifying endowment policies...
- 634 In section 671 (successive absolute interests)— (a) at the end...
- 635 After section 749 insert— Interest on tax overpaid No liability to income tax arises in respect of interest...
- 636 In section 754(1) (redemption of funding bonds) for “section 582(1)...
- 637 (1) Amend section 839 (annual payments payable out of relevant...
- 638 In section 847(2) (partnerships: general provisions), in the words before...
- 639 In section 849 (calculation of firm's profits or losses) after...
- 640 For section 850 (allocation of firm's profits or losses between...
- 641 (1) Amend section 860 (adjustment income) as follows.
- 642 For section 861 (sale of patent rights: effect of partnership...
- 643 (1) Amend section 862 (sale of patent rights: effect of...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 644 Omit section 881 (disapplication of corporation tax: section 9 of...
- 645 (1) Amend Schedule 1 (consequential amendments) as follows.
- 646 (1) Amend Schedule 2 (transitionals and savings etc) as follows....
- 647 (1) Amend Schedule 4 (abbreviations and defined expressions) as follows....

*Finance Act 2005 (c. 7)*

- 648 The Finance Act 2005 is amended as follows.
- 649 In section 47A(6) (alternative finance arrangements: diminishing shared ownership) for...
- 650 In section 48A (alternative finance arrangements: alternative finance bond: introduction)...
- 651 In section 48B (alternative finance arrangements: alternative finance investment bond:...
- 652 In section 49(2) (alternative finance arrangements: deposit) for “profit share...
- 653 In section 49A (alternative finance arrangements: profit share agency)—
- 654 Omit section 50 (treatment of alternative finance arrangements: companies).
- 655 In section 51 (treatment of alternative finance arrangements: persons other...
- 656 In section 52 (provision not at arm's length)—
- 657 Omit section 54 (return not to be treated as distribution)....
- 658 In section 54A (treatment of section 47, 49 and 49A...
- 659 In section 55 (further provisions) omit “, corporation tax”.
- 660 In section 56 (application of Chapter)— (a) in subsections (2)...
- 661 In section 57 (interpretation of Chapter)— (a) in the definition...
- 662 In section 83(8) (application of accounting standards to securitisation companies)...
- 663 In section 105 (interpretation) after the definition of “CAA 2001”...
- 664 (1) Amend Schedule 2 (alternative finance arrangements: further provisions) as...
- 665 In Schedule 4 (accounting practice and related matters) omit paragraphs...

*Railways Act 2005 (c. 14)*

- 666 The Railways Act 2005 is amended as follows.
- 667 (1) Amend Schedule 10 (taxation provisions relating to transfer schemes)...

*Finance (No. 2) Act 2005 (c. 22)*

- 668 The Finance (No. 2) Act 2005 is amended as follows....
- 669 In section 18 (section 17(3): specific powers) for subsection (2)(c)...
- 670 (1) Amend section 26 (receipts cases) as follows.
- 671 In section 27(2) (rule as to qualifying payment) for the...
- 672 In section 71 (interpretation) after the definition of “CAA 2001”...
- 673 In Schedule 6 (accounting practice and related matters)—
- 674 In Schedule 7 (avoidance involving financial arrangements) in paragraph 14—...



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Finance Act 2006 (c. 25)*

- 675 The Finance Act 2006 is amended as follows.  
676 Omit sections 31 to 41 (provisions about films, in particular...  
677 In section 42(2) (film tax relief: further provisions) omit—  
678 Omit sections 43 to 45 (film losses).  
679 At the end of each of sections 46 and 47...  
680 Omit sections 48 to 50 (sound recordings).  
681 Omit section 52 (films: application of provisions to certain films...  
682 Omit section 53(2) (films and sound recordings: commencement etc).  
683 In section 97 (beneficial loans to employees)—  
684 In section 104(1) (property rental business)— (a) in paragraph (a)—...  
685 In section 112 (entry charge) for subsection (1) substitute—  
686 In section 115(4) (profit: financing-cost ratio)— (a) in paragraph (a)...  
687 In section 117(3)(b) (cancellation of tax advantage) omit “under Case...  
688 (1) Amend section 120 (calculation of profits) as follows.  
689 (1) Amend section 121 (distributions: liability to tax) as follows...  
690 In section 136(2) (availability of group reliefs) for paragraphs (d)...  
691 In section 139(2) (manufactured dividends), in the provision substituted  
for...  
692 In section 179 (interpretation) after the definition of “CAA 2001”...  
693 Omit Schedule 4 (taxation of activities of film production company)....  
694 In Schedule 5 (film tax relief: further provisions)—  
695 (1) Amend Schedule 10 (sale etc of lessor companies etc...  
696 (1) Amend Schedule 15 (accountancy change: spreading of adjustment),  
Part...  
697 (1) Amend Schedule 16 (real estate investment trusts: excluded  
business...  
698 (1) Amend Schedule 17 (group real estate investment trusts:  
modifications)...

*Income Tax Act 2007 (c. 3)*

- 699 The Income Tax Act 2007 is amended as follows.  
700 For section 5 substitute— Income tax and companies Section 3 of CTA  
2009 disapplies the provisions of the...  
701 In section 276(3) (conditions relating to income) for “paragraph 14(3)...  
702 In section 489(6) (the “applicable period” in relation to shares)...  
703 In section 550(a) (meaning of “relievable gift”) for “section 83A...  
704 In section 557(1)(b)(ii) (substantial donor transactions: supplementary)  
after “2005” insert...  
705 (1) Amend section 835 (residence rules for trustees and companies)...  
706 After section 835 insert— Residence of companies Chapter 3 of Part 2  
of CTA 2009 (rules for...  
707 In section 899(4)(b) (meaning of “qualifying annual payment”) for  
“charged...  
708 In section 904 (annual payments for dividends or non-taxable  
consideration)...  
709 (1) Amend section 910 (proceeds of a sale of patent...  
710 In section 934(4) (non-UK resident companies) for “section 11(2) of...  
711 In section 937(5)(c) (partnerships)— (a) for “section 11(2) of ICTA”...  
712 In section 939(1)(b) (duty to retain bonds where issue treated...  
713 (1) Amend section 941 (deemed payments to unit holders and...  
714 In section 948(2) (meaning of “accounting period”) for the words...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 715 In section 965(2) (overview of sections 966 to 970) for...
- 716 (1) Amend section 971 (income tax in respect of non-resident...
- 717 In section 976(6) (arrangements for payments of interest less tax...
- 718 In section 980(2) (derivative contracts: exception from duties to deduct)...
- 719 In section 989 (definitions) omit the definition of “Schedule A...
- 720 In section 1017 (abbreviated references to Acts) after the definition...
- 721 In Schedule 4 (index of defined expressions) omit the entry...

*Finance Act 2007 (c. 11)*

- 722 The Finance Act 2007 is amended as follows.
- 723 In section 113 (interpretation) after the definition of “CRCA 2005”...
- 724 In Schedule 3 (managed service companies) omit paragraph 10.
- 725 (1) Amend Schedule 7 (insurance business: gross roll-up business etc)...
- 726 (1) Amend Schedule 13 (sale and repurchase of securities) as...
- 727 In paragraph 28(fa) of Schedule 24 (penalties for errors)—

*Finance Act 2008 (c. 9)*

- 728 The Finance Act 2008 is amended as follows.
- 729 Omit section 29 (cap on R&D aid).
- 730 Omit section 36(1) (company gains from investment life insurance contracts...
- 731 In section 77(6), in the words after paragraph (b) for...
- 732 In section 154(6) (stamp duty and stamp duty reserve tax:...
- 733 In section 165(1) (interpretation) after the definition of “CRCA 2005”...
- 734 In Schedule 10 (cap on R&D aid), omit paragraphs 1...
- 735 Omit Schedule 13 (company gains from investment life insurance contracts)....
- 736 In Schedule 15 (changes in trading stock), omit Part 2....
- 737 In Schedule 25 (first-year tax credits)— (a) in paragraph 14(6)(b)...

*Crossrail Act 2008 (c. 18)*

- 738 The Crossrail Act 2008 is amended as follows.
- 739 (1) Amend Schedule 13 (transfer schemes: tax provisions) as follows....

SCHEDULE 2 — Transitionals and savings

Part 1 — GENERAL PROVISIONS

*Continuity of the law: general*

- 1 The repeal of provisions and their enactment in a rewritten...
- 2 Paragraph 1 does not apply to any change made by...
- 3 Any subordinate legislation or other thing which—
- 4 (1) Any reference (express or implied) in this Act, another...
- 5 (1) Any reference (express or implied) in any enactment, instrument...
- 6 Paragraphs 1 to 5 have effect instead of section 17(2)...
- 7 Paragraphs 4 and 5 apply only so far as the...

*General saving for old transitional provisions and savings*

- 8 (1) The repeal by this Act of a transitional or...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

### *Interpretation*

- 9 (1) In this Part— “enactment” includes subordinate legislation (within the...

Part 2 — CHANGES IN THE LAW

- 10 (1) This paragraph applies if, in the case of any...

Part 3 — CHARGE TO CORPORATION TAX ON INCOME

### *Effect of repeal of section 9(1) of ICTA on relevance of case law*

- 11 The repeal by this Act of section 9(1) of ICTA...

Part 4 — ACCOUNTING PERIODS

### *Companies in administration*

- 12 Section 10(1)(i) and (j), (2), (3) and (4) apply only...

Part 5 — COMPANY RESIDENCE: EXCEPTIONS TO SECTION 14

- 13 (1) Subject to sub-paragraph (2), section 14 does not apply...

- 14 (1) Subject to sub-paragraph (2), section 14 does not apply...

- 15 (1) In paragraph 13— “general consent” means a consent under...

Part 6 — TRADING INCOME

### *Hiring cars with low CO emissions before 1 April 2013*

- 16 Section 58 does not apply to expenditure which is incurred...

- 17 In relation to expenditure incurred on the hiring of a...

### *Tenants under taxed leases*

- 18 (1) This paragraph relates to the operation of sections 62...

- 19 (1) This paragraph provides for the application of section 63...

- 20 (1) This paragraph provides for the application of section 63...

### *Local enterprise agencies*

- 21 To the extent that any function of the Scottish Ministers...

### *Expenses connected with patents, designs and trade marks*

- 22 (1) This paragraph applies if— (a) fees have been incurred,...

### *Payments to Export Credits Guarantee Department*

- 23 (1) This paragraph applies if— (a) a sum is payable,...

### *Reverse premiums*

- 24 (1) Sections 98 and 99 do not apply to a...

### *Sums recovered under insurance policies etc*

- 25 Section 103 does not apply if— (a) a company carrying...

### *Meaning of “designated educational establishment”*

- 26 To the extent that the power of the Welsh Ministers...

- 27 The reference in section 106(1)(a) to regulations made for England...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Dealers in securities etc*

- 28 The repeal by this Act of section 473(2B) of ICTA...

*Purchase or sale of woodlands*

- 29 Section 134 does not apply if the purchase mentioned in...

*Waste disposal*

- 30 If the predecessor ceased to carry on the trade carried...  
31 If the trade carried on by the trader was started...  
32 Section 144(3) does not apply for the purposes of sections...

*Reserves of marketing authorities etc*

- 33 In section 153(5) “approved scheme or arrangement” includes a scheme...

*Adjustment on change of basis*

- 34 Chapter 14 of Part 3 applies to a change of...  
Part 7 — PROPERTY INCOME

*Lease premiums*

- 35 Section 217 does not apply in relation to a lease...

*Lease premiums: sums payable instead of rent*

- 36 Section 219 does not apply in relation to a lease...

*Lease premiums: sums payable for surrender of lease*

- 37 Section 220 does not apply in relation to a lease...

*Lease premiums: assignments for profit of lease granted at undervalue*

- 38 Section 222 does not apply in relation to a lease...

*Lease premiums: pre-commencement receipts under ICTA treated as taxed receipts*

- 39 (1) This paragraph relates to the operation of sections 227...

*Lease premiums: taking account of reductions under section 37(2) or (3) of ICTA*

- 40 (1) This paragraph applies if— (a) in calculating the amount...

*Lease premiums: taking account of deductions for rent as a result of section 37(4) or 87(2) of ICTA*

- 41 (1) Sub-paragraph (2) applies if— (a) in calculating the profits...

*Lease premiums: time limits for claims for repayment of tax*

- 42 (1) Until the Treasury by order appoints a day under...

*Lease premiums: rules for determining effective duration of lease*

- 43 (1) In relation to a lease granted after 24 August...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

- 44 The amendments made by paragraph 626 of Schedule 1 (amendments...
- 45 (1) In relation to a lease granted after 12 June...
- 46 (1) In relation to a lease granted before 13 June...
- 47 The amendments made by paragraphs 498 and 506 of Schedule...

*Lease premiums: meaning of “premium”*

- 48 (1) In relation to a lease granted after 12 June...

*Reverse premiums*

- 49 (1) Section 250 does not apply to a reverse premium—...

*Deductions for expenditure on energy-saving items*

- 50 Sections 251 to 253 do not apply to expenditure incurred...

*Adjustment on change of basis*

- 51 (1) Sections 261 and 262 apply to a change of...

*Meaning of “mineral royalties”*

- 52 The definition of “mineral royalties” in section 274(2) does not...
- Part 8 — LOAN RELATIONSHIPS

*Interpretation*

- 53 Except as provided in this Part of this Schedule, expressions...

*Opening and closing values determined under Schedule 15 to the Finance Act 1996*

- 54 So far as immediately before the commencement of this Act...

*References to Part 5 to include Schedule 15 to FA 1996*

- 55 Except where the context indicates otherwise, references to Part 5...

*Exemption for interest on tax overpaid for accounting periods ending before 1 July 1999*

- 56 No liability to corporation tax arises in respect of interest...

*Regulations under section 81 of FA 2002*

- 57 The repeal by this Act of any provision in Schedule...

*Continuity on transfers: transferees becoming party to loan relationship before 9 April 2003*

- 58 (1) In determining whether Chapter 4 of Part 5 (continuity...

*Deeply discounted securities held before 1 October 2002*

- 59 (1) This sub-paragraph applies if— (a) the condition in paragraph...
- 60 (1) This paragraph applies if— (a) an authorised unit trust...

*Restriction on bringing into account credits resulting from reversal of debits disallowed in a period of account beginning before 1 January 2005*

- 61 (1) No credit is to be brought into account for...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Disregard of pre-2005 disallowed debits*

- 62 (1) This paragraph applies if in a period of account...

*Bringing into account losses on overseas sovereign debt etc*

- 63 (1) This paragraph applies if at the end of the...

*Saving for old elections for treating loan relationships with embedded derivatives as two assets*

- 64 (1) The repeal by this Act of paragraph 7 of...

*Deeply discounted securities of close companies: discounts for accounting periods beginning before 1 April 2007*

- 65 (1) This paragraph applies as regards a debtor relationship entered...

*Repo, stock lending and other transactions before 1 October 2007: disapplication of section 332*

- 66 Section 332 (repo, stock lending and other transactions) does not...

*Avoidance relying on continuity of treatment provisions: transactions before 16 May 2008*

- 67 Section 347 (disapplication of Chapter 4 of Part 5 where...

*Disposals for consideration not fully recognised by accounting practice: disposals before 16 May 2008*

- 68 Section 455 (disposals for consideration not fully recognised by accounting...

*5½% Treasury Stock 2008-2012 not redeemed before 6 April 2009*

- 69 (1) This paragraph applies if any loan relationship of a...

*References to Companies Act 2006*

- 70 Until section 658 of the Companies Act 2006 (c. 46)...

*Prospective repeal of provisions concerning exchange gains and losses from loan relationships*

- 71 (1) The following provisions (which rewrite provisions prospectively repealed by...

Part 9 — RELATIONSHIPS TREATED AS LOAN RELATIONSHIPS

*Relevant non-lending relationships: discounts accruing and profits arising before 16 March 2005*

- 72 (1) None of the following is to be brought into...

*Relevant non-lending relationships: discounts on disposals before 22 March 2006*

- 72A (1) Section 480 (relevant non-lending relationships involving discounts) applies with...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Alternative finance arrangements entered into before certain dates*

73 (1) Chapter 6 of Part 6 (alternative finance arrangements) does...

...

74 (1) Chapter 6 of Part 6 (alternative finance arrangements) does...

...

75 (1) Chapter 6 of Part 6 (alternative finance arrangements) only...

*Shares with guaranteed returns: redeemable shares where public issue before 22 March 2006*

76 In relation to any case where the public issue (within...

*Shares with guaranteed returns: income-producing assets for the increasing value condition*

77 In relation to any time before 16 May 2008, section...

*Repo transactions and stock lending arrangements before 1 October 2007*

78 (1) Chapter 10 of Part 6 (repos) does not apply...

Part 10 — DERIVATIVE CONTRACTS

*Interpretation*

79 Expressions used in this Part of this Schedule and in...

*Extended meaning of reference in section 591(6)(b)*

80 The reference in section 591(6)(b) (condition E) to the provisions...

*Disapplication of section 645*

81 Section 645 (creditor relationships: embedded derivatives which are options) does...

*Existing assets representing creditor relationships: options*

82 (1) This paragraph applies if section 645 would apply to...

83 (1) This paragraph applies for the purposes of paragraph 82....

84 (1) This paragraph applies if— (a) there has been a...

*Disapplication of section 648*

85 Section 648 (creditor relationships: embedded derivatives which are exactly tracking...

*Existing assets representing creditor relationships: contracts for differences*

86 (1) This paragraph applies if section 648 would apply to...

87 (1) This paragraph applies if— (a) there has been a...

*Disapplication of section 658*

88 (1) Section 658 (chargeable gain or allowable loss treated as...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Disapplication of section 661*

- 89 Section 661 (contract which becomes derivative contract) does not apply...

*Disapplication of section 666*

- 90 Section 666 (allowable loss treated as accruing) does not apply...

*Contracts which became derivative contracts on 16 March 2005*

- 91 (1) This paragraph applies in relation to a company if...

*Contracts which became derivative contracts on 28 July 2005*

- 92 (1) This paragraph applies in relation to a company if...

*Plain vanilla contracts which became derivative contracts before 30 December 2006*

- 93 (1) This paragraph applies if— (a) a company is a...

*Issuers of securities with embedded derivatives: deemed options*

- 94 (1) This paragraph applies if the company mentioned in section...

*Contract becoming derivative contract on 12 March 2008*

- 95 (1) This paragraph applies if a company was, immediately before...

*Avoidance relying on continuity of treatment provisions: transactions before 16 May 2008*

- 96 Section 629 (disapplication of section 625 where transferor party to...

*Disposals for consideration not fully recognised by accounting practice: disposals before 16 May 2008*

- 97 Section 698 (disposals for consideration not fully recognised by accounting...

*References to Companies Act 2006*

- 98 Until section 658 of the Companies Act 2006 (c. 46)...

*Repeal of provisions concerning exchange gains and losses from derivative contracts*

- 99 (1) The following provisions of this Act (which rewrite provisions...  
Part 11 — INTANGIBLE FIXED ASSETS

*Transactions between related parties*

- 100 (1) Sub-paragraphs (2) and (3) apply in relation to any...

*Continuity: formation of an SE before 1 April 2005*

- 101 Section 770 (continuity where group includes an SE) does not...

*References to Companies Act 2006*

- 102 Until section 658 of the Companies Act 2006 (c. 46)...  
Part 12 — BENEFICIARIES' INCOME FROM ESTATES IN ADMINISTRATION



**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Basic amounts*

103 (1) Sub-paragraph (2) applies if any previous accounting period to...

*Income treated as bearing income tax*

104 (1) A sum treated as part of the aggregate income...

Part 13 — RELIEF FOR SHARE INCENTIVE PLANS

*Deduction for contribution to plan trust*

105 Section 989(1)(a) does not apply in relation to a payment...

*Award of shares to excluded employee*

106 (1) This paragraph applies if an amount is received by...

Part 14 — OTHER RELIEF FOR EMPLOYEE SHARE ACQUISITIONS

*Accounting periods beginning before 1 January 2003*

107 (1) Relief is not available under Part 12 in relation...

*Restricted shares not to include shares acquired before 16 April 2003*

108 In Part 12 “restricted shares” does not include shares acquired...

*Shares acquired before 16 April 2003 that are subject to forfeiture*

109 (1) Relief under Part 12 is not available in relation...

*Meaning of “employment” for times before 16 April 2003*

110 In relation to any time before 16 April 2003, Part...

*Relief under Chapters 4 and 5 of Part 12*

111 (1) This paragraph applies for the purposes of Chapters 4...

Part 15 — RESEARCH AND DEVELOPMENT

*Rates of relief*

112 (1) In relation to expenditure incurred before 1 August 2008,...

*R&D threshold in section 1050: qualifying Chapter 3 and 4 expenditure*

113 (1) The references in section 1050(3)(b) and (c) to qualifying...

*Chapters 3 to 5 of Part 13: expenditure incurred before 1 April 2002*

114 (1) Chapters 3 to 5 of Part 13 do not...

*Chapter 7 of Part 13: expenditure incurred before 22 April 2003*

115 (1) Chapter 7 of Part 13 (relief for SMEs and...

*Cap on R&D aid under Chapter 2 or 7 of Part 13*

116 For the purposes of any calculation in accordance with section...

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Chapter 7 of Part 13: qualifying expenditure on contracted out R&D*

- 117 (1) Section 1135(4) (time limit for notice of election for...

*Small or medium-sized enterprises*

- 118 (1) In relation to expenditure incurred before 1 August 2008,...

*Staffing costs*

- 119 (1) In its application to expenditure incurred—  
120 In its application to expenditure incurred before 1 August 2008,...  
121 (1) In relation to expenditure incurred before 27 September 2003,...

*Expenditure on software or consumable items*

- 122 (1) In relation to expenditure incurred before 1 April 2004,...

*Qualifying expenditure on externally provided workers*

- 123 (1) In relation to expenditure incurred before 27 September 2003,...

*Qualifying expenditure on relevant payments to subjects of clinical trials*

- 124 (1) In relation to expenditure incurred before 1 August 2008,...

Part 16 — REMEDIATION OF CONTAMINATED LAND

*Part 14: expenditure incurred before 11 May 2001*

- 125 (1) Part 14 does not apply to expenditure incurred before...

*Staffing costs*

- 126 (1) In its application to expenditure incurred—  
Part 17 — FILM PRODUCTION

*Interpretation*

- 127 The provisions of sections 1181 to 1187 apply for the...

*Chapters 2 and 3 of Part 15 to apply only to films that  
commence principal photography on or after 1 January 2007*

- 128 Chapters 2 and 3 of Part 15 apply only in...  
129 The references in section 1206 to the functions of the...

*Application of Part 15 etc to films that commenced principal photography  
before 1 January 2007 but were not completed before that date*

- 130 (1) The Treasury may make provision by regulations for the...  
131 (1) In accordance with Part 1 of this Schedule, the...

*Prohibition on double counting*

- 132 (1) Expenditure is not to be taken into account for...  
Part 18 — MANAGEMENT EXPENSES

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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

---

*Unpaid remuneration*

- 133 (1) This paragraph applies for the purposes of section 1249....  
Part 19 — UNREMITTABLE INCOME

*Unremittable income that arose in an accounting period ending before 1 April 2009*

- 134 (1) A claim may be made under section 1275 (claim...

*Withdrawal of relief: income that arose in an  
accounting period ending before 1 October 1993*

- 135 Section 1277 (income charged on withdrawal of relief after source...  
Part 20 — GENERAL EXEMPTIONS

*Ulster savings certificates*

- 136 In the case of certificates acquired before 27 July 1981,...  
Part 21 — OTHER PROVISIONS

*Training courses for employees*

- 137 (1) This paragraph applies if, without the repeal by this...  
138 In the Table in section 98 of TMA 1970 (special...  
139 (1) This paragraph applies if— (a) at any time during...

*Unpaid remuneration*

- 140 (1) This paragraph applies for the purposes of—

*Employee benefit contributions*

- 141 Section 1290 does not apply to deductions that would otherwise...

*Interest on overdue corporation tax etc*

- 142 (1) The repeal by this Act of section 90(1)(b) of...

*Miscellaneous profits and losses: apportionment  
to accounting periods ending before 1 April 2009*

- 143 (1) This paragraph applies if— (a) a relevant period of...

*Purchase and sale of securities: references to setting up and commencement etc of a trade*

- 144 In section 731 of ICTA, as that section has effect...

*References to Companies Act 2006*

- 145 Until section 658 of the Companies Act 2006 (c. 46)...

*Charges to tax under Case VI of Schedule D in subordinate legislation*

- 146 (1) This paragraph applies if— (a) a provision of the...  
147 (1) This paragraph applies if immediately before 1 April 2009...

SCHEDULE 3 — Repeals and revocations

Part 1 — REPEALS AND REVOCATIONS ON 1 APRIL 2009

Part 2 — PROSPECTIVE REPEALS

**Changes to legislation:** Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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](#)

---

## SCHEDULE 4 — Index of defined expressions

**Changes to legislation:**

Corporation Tax Act 2009 is up to date with all changes known to be in force on or before 03 June 2023. 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.

[View outstanding changes](#)

**Changes and effects yet to be applied to :**

- s. 61 applied (with modifications) by [2016 c. 24 s. 80](#)
- s. 306(2)(e) repealed by [2009 c. 4 Sch. 2 para. 71\(1\)\(a\)Sch. 3 Pt. 2](#)
- s. 310(5) repealed by [2009 c. 4 Sch. 2 para. 71\(1\)\(b\)Sch. 3 Pt. 2](#)
- s. 323 applied by 2010 c. 8, s. 259NEC(9) (as inserted) by [2021 c. 26 Sch. 7 para. 5](#)
- s. 328 repealed by [2009 c. 4 Sch. 2 para. 71\(1\)\(c\)Sch. 3 Pt. 2](#)
- s. 384 repealed by [2009 c. 4 Sch. 2 para. 71\(1\)\(d\)Sch. 3 Pt. 2](#)
- s. 419(6A) inserted by [2011 c. 11 s. 29\(2\)](#)
- s. 450(6) repealed by [2009 c. 4 Sch. 2 para. 71\(1\)\(e\)Sch. 3 Pt. 2](#)
- s. 606 repealed by [2009 c. 4 Sch. 2 para. 99\(1\)\(a\)Sch. 3 Pt. 2](#)
- s. 690(6) words repealed by [2009 c. 4 Sch. 2 para. 99\(1\)\(b\)Sch. 3 Pt. 2](#)
- s. 1059(3) repealed by [2012 c. 5 Sch. 14 Pt. 1](#)
- s. 1059(5) word inserted by [2012 c. 5 Sch. 3 para. 28](#)
- s. 1059(5) words repealed by [2012 c. 5 Sch. 14 Pt. 1](#)
- s. 1085(5)(c) omitted by [2012 c. 14 Sch. 3 para. 7\(2\)](#)
- s. 1092(3) omitted by [2012 c. 14 Sch. 3 para. 7\(4\)](#)
- s. 1094(2) words inserted by [2012 c. 14 Sch. 3 para. 13\(2\)](#)
- s. 1106(4) words inserted by [2012 c. 14 Sch. 3 para. 14\(2\)](#)
- s. 1108(3) repealed by [2012 c. 5 Sch. 14 Pt. 1](#)
- s. 1108(5) word inserted by [2012 c. 5 Sch. 3 para. 29](#)
- s. 1108(5) words repealed by [2012 c. 5 Sch. 14 Pt. 1](#)
- s. 1273 excluded by 2010 c. 8, s. 259G(8) (as inserted) by [2016 c. 24 Sch. 10 para. 1](#)
- s. 1319 words omitted by [2010 c. 13 Sch. 6 para. 25\(2\)](#)
- Sch. 4 words substituted by [2010 c. 13 Sch. 6 para. 25\(3\)](#)

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

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

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

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)