

*These notes refer to the Corporation Tax Act 2009
(c.4) which received Royal Assent on 26 March 2009*

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2: Charge to corporation tax: basic provisions

Chapter 4: Non-UK resident companies: chargeable profits

Overview

Section 27: Loans: attribution of financial assets and profits arising

136. This section explains how a financial asset (eg a loan) made by the non-UK resident company and the profits arising from it should be attributed (whether to the permanent establishment or another part of the company). It is based on paragraphs 7(1) and 9(1) and (3) to (5) of Schedule A1 to ICTA. An example would be where a permanent establishment in the United Kingdom obtains new business and passes that business back to the overseas part of the company. Resulting loans, derivatives etc can be attributed to the permanent establishment under this section notwithstanding that they have been issued by an overseas office.