

# CORPORATION TAX ACT 2010

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## EXPLANATORY NOTES

### INTRODUCTION

#### **Part 25: Definitions for purposes of Act and final provisions**

##### **Overview**

3336. This Part contains definitions for the purposes of the Act and provisions that introduce the Schedules, give powers to remedy errors and omissions and provide for the extent, commencement and short title of the Act when enacted.

##### ***Section 1174: Abbreviated references to Acts***

3337. This section provides details of abbreviations used in this Act.

##### ***Section 1175: Claims and elections***

3338. This section provides that a claim or election must be made in writing. It is based on paragraphs 57 to 59 of Schedule 18 to FA 1998. The corresponding provision for income tax is in section 1020 of ITA.

##### ***Section 1176: Meaning of “connected” persons and “control”***

3339. This section applies the meaning of “connected” and “control” in sections 1122 and 1124 to the provisions of this Act unless otherwise indicated in respect of a particular provision. It is based on numerous provisions that invoke the meaning of those terms in, respectively, sections 839 and 840 of ICTA (rewritten in those sections). The corresponding provision for income tax is in section 1021 of ITA.
3340. In the source legislation for sections 511 to 513 (approved charitable investments and loans) the meaning of “control” is not defined. It has been brought within the application of section 1124. See *Change 40* in Annex 1.

##### ***Section 1177: Minor and consequential amendments***

3341. This section introduces Schedule 1.

##### ***Section 1178: Power to make consequential provision***

3342. This section provides a power for the Treasury to make by order consequential amendments additional to those contained in Schedule 1. It is new.
3343. The power is in substance the same as that in section 1323 of CTA 2009. As with that power, it will not be exercised without the agreement of the Tax Law Rewrite Project’s Consultative and Steering Committees to the proposed modifications.
3344. *Subsection (2)* provides that the power may not be used after 31 March 2013. It is sensible to enable additional consequential amendments to be made in this way only over a limited period, and it would in any case become progressively more difficult to

do so accurately as subsequent Finance Bills are enacted. The date of 31 March 2013 takes account of this while giving a reasonable amount of time for missed consequential amendments to come to light.

3345. *Subsection (4)* provides that the power may be used to make provision having retrospective effect. Whether that would be appropriate would need to be considered on a case-by-case basis. As the power can be used only to make provision in consequence of this Act, any retrospective effect is limited to provision having effect from the date the Act comes into force.

***Section 1179: Power to undo changes***

3346. This section provides a power for the Treasury to undo changes in the law made by the Act for the purpose of restoring the effect of the law to what it was immediately before 1 April 2010. It is new. A corresponding provision is in section 1324 of CTA 2009.
3347. The power will not be exercised without the agreement of the Tax Law Rewrite Project's Consultative and Steering Committees to the proposed modifications. It will make it possible for any errors made in rewriting the source legislation, or in making consequential amendments, to be corrected without recourse to a Finance Bill.
3348. *Subsection (2)* provides that the power may not be exercised after 31 March 2013. As with section 1324 of CTA 2009, it is considered sensible to time-limit the power in this way, especially as successive Finance Acts may make it progressively more difficult to make such amendments. The time limit will provide a reasonable period for errors to come to light.
3349. *Subsection (4)* provides that the power may be used to make provision having retrospective effect. Whether that would be appropriate would need to be considered on a case-by-case basis.

***Section 1180: Transitional provisions and savings***

3350. This section introduces Schedule 2 and provides for the Treasury to make transitional or savings provisions additional to those contained within the Schedule. It is new. A corresponding provision is in section 1325 of CTA 2009.
3351. The power will not be exercised without the agreement of the Tax Law Rewrite Project's Consultative and Steering Committees.
3352. *Subsection (3)* provides that the power may be used to make provision having retrospective effect.

***Section 1181: Repeals and revocations***

3353. This section introduces Schedule 3.

***Section 1182: Index of defined expressions***

3354. This section introduces Schedule 4.

***Section 1183: Extent***

3355. This section provides for the Act to form part of the law of each part of the United Kingdom.

***Section 1184: Commencement***

3356. This section provides for the commencement of the Act.

*These notes refer to the Corporation Tax Act 2010  
(c.4) which received Royal Assent on 3 March 2010*

3357. This Act deals for the most part only with corporation tax. However, it does amend legislation relating to income tax and capital gains tax, mostly consequentially. Separate provision is made about commencement in relation to those amendments.

***Section 1185: Short title***

3358. This section specifies the short title for the Act.