Corporation Tax Act 2010

2010 CHAPTER 4

PART 23

COMPANY DISTRIBUTIONS

CHAPTER 3

MATTERS WHICH ARE NOT DISTRIBUTIONS

Purchase of own shares: supplementary

1044 Advance clearance of payments by Commissioners

(1) A company may make an application under this section to the Commissioners for Her Majesty's Revenue and Customs ("the Commissioners") before making a payment on the redemption, repayment or purchase of its own shares.

(2) If, before the payment is made, the Commissioners notify the company that they are satisfied that section 1033 will apply to it, the payment is treated as one to which section 1033 applies.

(3) If, before the payment is made, the Commissioners notify the company that they are satisfied that section 1033 will not apply to it, the payment is treated as one to which section 1033 does not apply.

1045 Advance clearance: supplementary

(1) An application under section 1044—

(a) must be in writing, and

(b) must contain particulars of the relevant transactions.

(2) The Commissioners may by notice require the applicant to provide further particulars for the purpose of enabling them to make their decision.

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(3) The power under subsection (2) must be exercised within 30 days of the receipt of—
  (a) the application, or
  (b) any further particulars previously required under subsection (2).

(4) If a notice under subsection (2) is not complied with within 30 days, or any longer period that the Commissioners may allow, the Commissioners need not proceed further on the application.

(5) The Commissioners must notify their decision to the applicant—
  (a) within 30 days of receiving the application, or
  (b) if they give notice under subsection (2), within 30 days of the notice being complied with.

(6) If particulars provided under this section do not fully and accurately disclose all facts and circumstances material for the decision of the Commissioners, any resulting notification by the Commissioners is void.

1046 Information and returns

(1) A company which treats a payment made by it as one to which section 1033 applies must make a return to an officer of Revenue and Customs giving details of—
  (a) the payment, and
  (b) the circumstances by reason of which section 1033 is regarded as applying to it.

(2) The return must be made within 60 days after the payment.

(3) A person connected with a company must give notice to an officer of Revenue and Customs if—
  (a) the company treats a payment made by it as one to which section 1033 applies and in relation to which Condition A in that section is met, and
  (b) the person knows of any scheme or arrangement of the kind mentioned in section 1042(2) that affects the payment.

(4) The notice—
  (a) must contain particulars of the scheme or arrangement, and
  (b) must be given within 60 days after the person first knows of both the payment and the scheme or arrangement.

[F1](5) . . . . . .

[F1](6) . . . . . .

[F1](7) . . . . . .

Textual Amendments

F1 S. 1046(5)-(7) omitted (with effect in accordance with Sch. 23 para. 65 of the amending Act) by virtue of Finance Act 2011 (c. 11), **Sch. 23 paras. 64(2)(d)**, 65(1)(a) (with Sch. 23 paras. 50, 65(1)(b))

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1047 Meaning of "group" and "51% subsidiary" in sections 1033 to 1047

(1) In this section and sections 1033 to 1046 "group" (except in the expression "trading group") means a company which has one or more 51% subsidiaries but is not itself a 51% subsidiary of any other company, together with those subsidiaries.

This is subject to subsection (2).

(2) If the whole or a significant part of the business carried on by an unquoted company ("the successor company") was previously carried on by—

(a) the company making the purchase, or

(b) a company which is, apart from this subsection, a member of a group to which the company making the purchase belongs,

the successor company and any company of which it is a 51% subsidiary are treated as being members of the same group as the company making the purchase (whether or not, apart from this subsection, the company making the purchase is a member of a group).

(3) But subsection (2) does not apply if the successor company first carried on the business in question more than 3 years before the time of the purchase.

(4) For the purposes of this section and sections 1033 to 1046, a company which has ceased to be a 51% subsidiary of another company before the time of the purchase is treated as continuing to be a 51% subsidiary of that company if at the time of the purchase there exist arrangements under which it could again become such a subsidiary.

1048 Sections 1033 to 1047: other interpretation

(1) In sections 1033 to 1047—

"holding company" means a company whose business (ignoring any trade carried on by it) consists wholly or mainly of holding shares or securities of one or more companies which are its 75% subsidiaries,

"quoted company" means a company whose shares (or any class of whose shares) are listed in the official list of a stock exchange,

"shares" includes stock,

"trade" does not include dealing in shares, securities, land or futures,

"trading company" means a company whose business consists wholly or mainly of carrying on a trade or trades,

"trading group" means a group the business of whose members (taken together) consists wholly or mainly of carrying on a trade or trades, and

"unquoted company" means a company which is neither a quoted company nor a 51% subsidiary of a quoted company.

(2) In the definition of "trading group" in subsection (1) "group" means a company which has one or more 75% subsidiaries, together with those subsidiaries.

(3) References in sections 1033 to 1047 to the owner of shares are to the beneficial owner except where the shares—

(a) are settled property, or

(b) are comprised in the estate of a person who has died.

In such cases the references are to the trustees of the settlement or, as the case may be, the deceased's personal representatives.

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(4) References in sections 1033 to 1047 to a payment made by a company are to be read in accordance with section 1033(6).

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

- s. 357CHA omitted by 2024 c. 3 Sch. 2 para. 14(7)
- s. 658(1)(d)(e) inserted by 2010 c. 13 Sch. 6 para. 31 (This amendment not applied to legislation.gov.uk. Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))