

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

CORPORATION TAX ACT 2010

EXPLANATORY NOTES

INTRODUCTION

Part 5: Group relief

Chapter 2: Surrender of company's losses etc for an accounting period

Section 108: Meaning of "non-UK profits"

397. This section defines "non-UK profits" for sections 106 and 107. It is based on sections 403D and 403E of ICTA.
398. *Subsections (1) and (2)* set out the basic rule. The profits are those that are charged to "non-UK tax" (see section 187). The definition includes amounts that are taken into account in calculating those profits. But it does not include any profits that are taken into account in calculating the profits of any person for United Kingdom tax purposes.
399. *Subsection (3)* deals with profits that are exempted from United Kingdom tax by a DTA. Such profits may be non-UK profits. *Subsection (2)* refers to the "total profits" of any person. Section 4(3) defines that expression to include only amounts charged to corporation tax. So there is no need to exclude non-chargeable profits and section 403D(2)(a) of ICTA is not rewritten in this section.