



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 7

TAX TREATMENT OF FINANCING COSTS AND INCOME

CHAPTER 1

INTRODUCTION

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- (1) Chapter 2 contains provision for determining whether this Part applies in relation to any particular period of account of the worldwide group.
- (2) Chapter 3 provides for the disallowance of certain financing expenses of relevant group companies arising in a period of account of the worldwide group to which this Part applies.

The total of the amounts disallowed is the amount by which the tested expense amount (defined in Chapter 8) exceeds the available amount (defined in Chapter 9).

- (3) Chapter 4 provides for the exemption from the charge to corporation tax of certain financing income of UK group companies where financing expenses of relevant group companies have been disallowed under Chapter 3.
- (4) Chapter 5 provides for the exemption from the charge to corporation tax of certain intra-group financing income of UK group companies where the paying company is denied a deduction for tax purposes otherwise than under this Part.
- (5) Chapter 6 contains rules connected with tax avoidance.
- (6) Chapter 7 defines a “financing expense amount” and “financing income amount” of a company for a period of account of the worldwide group, which are amounts that

Status: This is the original version (as it was originally enacted).

would, apart from this Part, be brought into account for the purposes of corporation tax.

- (7) Chapter 8 defines the “tested expense amount” and the “tested income amount” of the worldwide group for a period of account of the group, which are totals deriving from the financing expense amounts and financing income amounts of certain group companies.
- (8) Chapter 9 defines the “available amount” for a period of account of the worldwide group, which derives from certain financing costs disclosed in the group’s consolidated financial statements.
- (9) Chapter 10 contains further interpretative provisions.