Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

[F1PART 9A

CONTROLLED FOREIGN COMPANIES

CHAPTER 10

THE EXEMPT PERIOD EXEMPTION

[F1371JFAnti-avoidance

(1) The exempt period exemption does not apply for a CFC's accounting period ("the relevant accounting period") if condition A or B is met.

(2) Condition A is that—

    (a)   an arrangement is entered into at any time,

    (b)   the main purpose, or one of the main purposes, of the arrangement is to secure a tax advantage for any person,

    (c)   the arrangement is linked to the exempt period exemption applying or being expected to apply (apart from this section)—

        (i) for the relevant accounting period, or

        (ii) for that period and one or more other accounting periods of the CFC, and

    (d)   the arrangement involves one or both of the following—

        (i) the CFC holding assets which give rise to non-trading finance profits or trading finance profits of the CFC, or

        (ii) the CFC holding intellectual property which gives rise to any income of the CFC.

(3) Condition B is that—

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  (a) an arrangement is entered into at any time,

  (b) in consequence of the arrangement, the length of any accounting period of the CFC is less than 12 months, and

  (c) the main purpose, or one of the main purposes, of the arrangement is to secure that the exempt period exemption applies—

   (i) for the relevant accounting period, or

   (ii) for that period and one or more other accounting periods of the CFC.

(4) In this section references to the exempt period exemption include references to section 371JE.**]**

Textual Amendments

 F1 Pt. 9A inserted (17.7.2012) by Finance Act 2012 (c. 14), **Sch. 20 para. 1** (with ss. 56-58)

Changes to legislation:
There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 371JF.