***Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2012, Cross Heading: FA 2000. (See end of Document for details)*

SCHEDULES

SCHEDULE 20

CONTROLLED FOREIGN COMPANIES AND FOREIGN PERMANENT ESTABLISHMENTS

PART 3

OTHER AMENDMENTS

FA 2000

18 Schedule 22 to FA 2000 (tonnage tax) is amended as follows.

19 (1) Paragraph 54 is amended as follows.

(2) In sub-paragraph (1)—

(a) for "under section 747 of the Taxes Act 1988" substitute " at step 5 in section 371BC(1) of the Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010") ",

(b) for "controlled foreign company" (in both places) substitute " CFC ", and

(c) at the end insert " ; and, accordingly, the tonnage tax company is not to be a chargeable company for the purposes of Part 9A of TIOPA 2010 in relation to the CFC's accounting period in question. "

(3) For sub-paragraphs (2) to (5) substitute—

"(2) In relation to a CFC which—

(a) is a member of a tonnage tax group, and

(b) is a tonnage tax company by virtue of the group's tonnage tax election, or would be if it were within the charge to corporation tax,

the corporation tax assumptions within the meaning of Part 9A of TIOPA 2010 are to be taken to include the following assumption.

(3) The CFC is to be assumed to be a single company that is a tonnage tax company.

(4) Nothing in section 371SL(1) of TIOPA 2010 affects sub-paragraphs (2) and (3) above.

(5) In this paragraph "CFC" has the same meaning as in Part 9A of TIOPA 2010."

20 (1) Paragraph 57 is amended as follows.

(2) In sub-paragraph (1)(b) for the words from "controlled" to the end substitute " CFC apportioned to the company at step 3 in section 371BC(1) of the Taxation (International and Other Provisions) Act 2010. "

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(3) For sub-paragraph (4) substitute—

"(4) For the purposes of sub-paragraph (1)(b)—

(a) "tonnage profits" means so much of the CFC's chargeable profits for its accounting period in question as, applying the corporation tax assumptions, are calculated in accordance with paragraph 4 of this Schedule; and

(b) so much of those chargeable profits as are tonnage profits shall be treated as apportioned at step 3 in section 371BC(1) of the Taxation (International and Other Provisions) Act 2010 in the same proportions as those profits (taken generally) are apportioned.

(4A) In sub-paragraphs (1)(b) and (4) terms defined in Part 9A of the Taxation (International and Other Provisions) Act 2010 have the same meaning as in that Part."

Changes to legislation:
There are currently no known outstanding effects for the Finance Act 2012, Cross Heading: FA 2000.