

These notes refer to the Finance Act 2013 (c.29) which received Royal Assent on 17 July 2013

FINANCE ACT 2013

EXPLANATORY NOTES

INTRODUCTION

Section 229, Schedule 49: Corporation Tax: Deferral of Payment of Exit Charge

Summary

1. **Section 229** and Schedule 49 introduce two options for companies to defer payment for UK corporation tax where it arises under provisions taxing unrealised profits and gains when the company ceases to be resident in the United Kingdom or a non-resident company ceases to carry on all or part of its business in the UK. Exit charge payment plans are available to companies incorporated in the European Union or European Economic Area (EU/EEA), including UK companies, which transfer their business and their place of residence for tax purposes to another Member State. Deferred tax payments will be subject to interest under the usual rules. The changes ensure that UK rules taxing such profits and gains are compatible with EU law.