
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, Paragraph 12. (See end of Document for details)

SCHEDULES

SCHEDULE 10

TRANSFER OF ASSETS ABROAD

PART 3

AMENDMENTS RELATING TO THE CHARGES UNDER SECTIONS 720 AND 727

Main provision

- 12 (1) Section 725 (reduction in amount charged where controlled foreign company involved) is amended as follows.
- (2) In subsection (1), as substituted by paragraph 22 of Schedule 20 to FA 2012, for paragraph (b) and the “ and ” before it substitute—
- “(b) an amount of income is treated as arising to an individual under section 721 for a tax year, and
 - (c) the income mentioned in section 721(2) is or includes a sum forming part of the CFC's chargeable profits for that accounting period.”
- (3) After subsection (2) insert—
- “(2A) In a case in which section 724 applies, the reference to S in the formula in subsection (2) is to be read as a reference to X% of S.
 - (2B) “X%” is determined as follows—

$$100\% \times \frac{A}{I}$$

where—

A is the amount on which the individual is liable as determined under section 724(2), and

I is the amount of the income mentioned in section 721(2).”

- (4) In relation to cases in which the amendments made by paragraph 22 of Schedule 20 to FA 2012 are to be ignored in accordance with paragraph 50(9) of that Schedule, the amendment made by sub-paragraph (5) below has effect instead of the amendment made by sub-paragraph (2) above.
- (5) In subsection (1) for paragraph (c) and the “and” before it substitute—
- “(c) an amount of income is treated as arising to an individual under section 721 for a tax year, and

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- (d) the income mentioned in section 721(2) is or includes a sum forming part of the controlled foreign company's chargeable profits for that accounting period.”

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