

SCHEDULES

SCHEDULE 3

BANKING COMPANIES: SURCHARGE

PART 3

COMMENCEMENT

Surcharge

- 14 (1) The amendments made by paragraphs 1 and 4 to 6 of this Schedule have effect for accounting periods beginning on or after the commencement date.
- (2) Where a company has an accounting period beginning before the commencement date and ending on or after that date (“the straddling period”), sub-paragraphs (3) to (10) apply.
- (3) For the purposes of determining whether the surcharge is chargeable on the company for the straddling period and, if so, in what amount—
- (a) so much of the straddling period as falls before the commencement date, and so much of that period as falls on or after that date, are to be treated as separate accounting periods, and
 - (b) where it is necessary to apportion an amount for the straddling period to the two separate accounting periods, it is to be apportioned—
 - (i) in accordance with section 1172 of CTA 2010 (time basis), or
 - (ii) if that method would produce a result that is unjust or unreasonable, on a just and reasonable basis.
- (4) Accordingly, the surcharge chargeable on the company for the straddling period (if any) is equal to the surcharge that would be chargeable on the company, in accordance with sub-paragraph (3), for the separate accounting period beginning with the commencement date.
- (5) Sub-paragraphs (6) to (8) apply where—
- (a) the surcharge is chargeable on the company for the straddling period, and
 - (b) under the Instalment Payment Regulations, one or more instalment payments, in respect of the total liability of the company for the straddling period, were treated as becoming due and payable before the commencement date (“pre-commencement instalments”).
- (6) The surcharge chargeable on the company for the straddling period is to be ignored for the purposes of determining the amount of any pre-commencement instalment.
- (7) The first instalment, in respect of the total liability of the company for the straddling period, which under the Instalment Payment Regulations is treated as becoming due

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and payable on or after the commencement date is to be increased by the adjustment amount.

- (8) “The adjustment amount” is the difference between—
- (a) the aggregate amount of the pre-commencement instalments determined in accordance with sub-paragraph (6), and
 - (b) the aggregate amount of those instalments determined ignoring sub-paragraph (6) (and so taking into account the surcharge chargeable on the company for the straddling period).
- (9) In the Instalment Payment Regulations—
- (a) in regulations 6(1)(a), 7(2), 8(1)(a) and (2)(a), 9(5), 10(1), 11(1) and 13, references to regulation 4A, 4B, 4C, 4D, 5, 5A or 5B of those Regulations are to be read as including a reference to sub-paragraphs (5) to (8) (and in regulation 7(2) “the regulation in question”, and in regulation 8(2) “that regulation”, are to be read accordingly), and
 - (b) in regulation 9(3), the reference to those Regulations is to be read as including a reference to sub-paragraphs (5) to (8).
- (10) In section 59D of TMA 1970 (general rule as to when corporation tax is due and payable), in subsection (5), the reference to section 59E of that Act is to be read as including a reference to sub-paragraphs (5) to (9).
- (11) For the purposes of sections 269DF to 269DI of CTA 2010, if a nominated company has an accounting period beginning before and ending on or after the commencement date, so much of that period as falls before that date, and so much of that period as falls on or after that date, are to be treated as separate accounting periods.
- (12) For the purposes of section 269DN of CTA 2010, it does not matter whether arrangements of the kind mentioned in subsection (1) of that section are entered into before or after this Act is passed.
- (13) In this paragraph “the surcharge” means a sum chargeable under section 269DA of CTA 2010 as if it were an amount of corporation tax.

15 The amendment made by paragraph 3 has effect for accounting periods ending on or after the commencement date.

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