



Finance Act 2016

2016 CHAPTER 24

PART 2

CORPORATION TAX

Banking companies

56 Banking companies: excluded entities

(1) Section 133F of CTA 2009 (“excluded company”) has effect, and is to be deemed always to have had effect, with the amendments set out in subsections (2) to (4).

(2) After subsection (2) insert—

“(2A) A company is also an “excluded company” at any time (in an accounting period) if—

- (a) the company would fall within a relevant relieving provision but for one (and only one) line of business which it carries on,
- (b) that line of business does not involve the relevant regulated activity described in the provision mentioned in section 133G(1)(a), and
- (c) the company's activities in that line of business would not, on their own, result in it being both a 730k firm and a full scope investment firm.

(2B) For the purposes of subsection (2A) the “relevant relieving provisions” are paragraphs (b), (c), (e), (g) and (h) of subsection (2).”

(3) In subsection (7), before the definition of “authorised corporate director” insert—

““730k firm”—

- (a) in relation to any time on or after 1 January 2014, means an IFPRU 730k firm,
- (b) in relation to any time before that date, means a BIPRU 730k firm;”.

(4) In subsection (7), at the appropriate places insert—

Changes to legislation: Finance Act 2016, Section 56 is up to date with all changes known to be in force on or before 11 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

““BIPRU 730k firm” and “full scope BIPRU investment firm” have the same meaning as in subsections (2) to (4) of section 133H;”

““IFPRU 730k firm” and full scope IFPRU investment firm” have the meaning given by the FCA Handbook at the time in question;”

““full scope investment firm”—

- (a) in relation to any time on or after 1 January 2014, means a full scope IFPRU investment firm,
- (b) in relation to any time before that date, means a full scope BIPRU investment firm;”.

(5) Section 133M of CTA 2009 has effect, and is to be deemed always to have had effect, with the amendment set out in subsection (6).

(6) For subsection (5)(b)(ii) substitute—

“(ii) the firm would not (if references in section 133F(2) and (3) to companies included firms) be an excluded company for the purposes of section 133E.”

(7) Part 7A of CTA 2010 has effect, and is to be deemed always to have had effect, with the amendments set out in subsections (8) and (9).

(8) In section 269BA (excluded entities), after subsection (1) insert—

“(1A) For the purposes of section 269B an entity is also an “excluded entity” if—

- (a) the entity would fall within a relevant relieving provision but for one (and only one) line of business which it carries on,
- (b) that line of business does not involve the relevant regulated activity described in the provision mentioned in section 269BB(a), and
- (c) the entity's activities in that line of business would not, on their own, result in it being both an IFPRU 730k firm and a full scope IFPRU investment firm.

(1B) For the purposes of subsection (1A) the “relevant relieving provisions” are paragraphs (b), (c), (e), (g) and (h) of subsection (1).”

(9) In section 269DO (interpretation)—

(a) after subsection (5) insert—

“(5A) For the purposes of section 269BA(1A) (extension of certain exclusions under subsection (1) of that section) a line of business carried on by a company is not regarded as involving the relevant regulated activity described in the provision mentioned in section 269BB(a) if—

- (a) the carrying on of that activity is ancillary to asset management activities the company carries on, and
- (b) the company would not carry that activity on but for the fact that it carries on asset management activities.”;

(b) in subsection (6) for “subsection (5)” substitute “ subsections (5) and (5A) ”.

(10) In Schedule 19 to FA 2011 (the bank levy), paragraph 73 is amended in accordance with subsections (11) and (12).

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- (11) In sub-paragraph (1), omit “or” at the end of paragraph (j) and after paragraph (k) insert “, or
- (l) an entity falling within sub-paragraph (1A).”
- (12) After sub-paragraph (1) insert—
- “(1A) An entity falls within this sub-paragraph if—
- (a) it would fall within a relevant relieving provision but for one (and only one) line of business which it carries on,
- (b) that line of business does not involve the relevant regulated activity described in the provision mentioned in paragraph 79(a), and
- (c) the entity's activities in that line of business would not, on their own, result in it being both an IFPRU 730k firm and a full scope IFPRU investment firm.
- (1B) For the purposes of sub-paragraph (1A) the “relevant relieving provisions” are paragraphs (b), (c), (e), (g) and (h) of sub-paragraph (1).”
- (13) Subsections (10) to (12) have effect in relation to chargeable periods beginning on or after the day on which this Act is passed.
- (14) But for the purposes of determining what groups and entities must be listed under subsection (4) of section 285 of FA 2014 (Code of Practice on Taxation for Banks: HMRC reports) in any relevant report under that section—
- (a) subsection (13) is to be disregarded, and
- (b) Schedule 19 to FA 2011 is to be deemed to have effect, and always to have had effect, with the amendments set out in subsections (10) to (12).
- (15) In subsection (14) “relevant report” means a report for the reporting period beginning with 1 April 2015 or any subsequent reporting period.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)