

SCHEDULES

SCHEDULE 8

CORPORATE INTEREST RESTRICTION

PART 1

AMENDMENTS OF PART 10 OF TIOPA 2010

Commencement

- 22 (1) The amendments made by paragraphs 2 to 5, 10 and 13 have effect in relation to periods of account of worldwide groups that begin on or after 1 January 2018.
- (2) The following provisions apply if—
- (a) financial statements of a worldwide group are drawn up by or on behalf of the ultimate parent in respect of a period that begins before, and ends on or after, 1 January 2018,
 - (b) the period in respect of which the financial statements are drawn up is 18 months or less, and
 - (c) the financial statements are drawn up before the end of the period of 30 months beginning with the period in respect of which they are drawn up.
- (3) In this paragraph—
- (a) “the group’s actual financial statements” means the financial statements mentioned in sub-paragraph (2), and
 - (b) “the straddling period of account” means the period in respect of which those financial statements are drawn up.
- (4) For the purposes of Part 10 of TIOPA 2010, the group’s actual financial statements are treated as not having been drawn up.
- (5) Instead, financial statements of the worldwide group are treated for those purposes as having been drawn up in respect of each of the following periods—
- (a) the period beginning at the time the straddling period of account begins and ending with 31 December 2017, and
 - (b) the period beginning with 1 January 2018 and ending at the time the straddling period of account ends.
- (6) If condition C or D in section 481 of TIOPA 2010 is met in relation to the group’s actual financial statements, the financial statements treated as drawn up by sub-paragraph (5) are treated as drawn up in accordance with the generally accepted accounting principles and practice with which the group’s actual financial statements were drawn up.

Status: This is the original version (as it was originally enacted).

- (7) If neither of those conditions is met in relation to the group's actual financial statements, the financial statements treated as drawn up by sub-paragraph (5) are IAS financial statements.
- (8) If, for the purpose of determining amounts recognised in the financial statements treated as drawn up by sub-paragraph (5), it is expedient to apportion any amount that is recognised in the group's actual financial statements, the apportionment is to be made in accordance with section 1172 of CTA 2010 (apportionment on a time basis).
- (9) But if it appears that apportionment in accordance with that section would work unjustly or unreasonably, the apportionment is to be made on a just and reasonable basis.
- (10) Expressions used in this paragraph and in Part 10 of TIOPA 2010 have the same meaning in this paragraph as they have in that Part.