

SCHEDULES

SCHEDULE 3

THEATRICAL PRODUCTIONS

PART 2

CHANGES FROM EUROPEAN TO UK EXPENDITURE: TRANSITIONAL PROVISION

Transitional provision in relation to paragraph 5

- 11 (1) This paragraph makes transitional provision in connection with paragraph 5.
- (2) The amendments made by that paragraph do not apply in relation to a theatrical production if—
- (a) it has entered production before 1 April 2024, and
 - (b) the separate theatrical trade in respect of it ceases before 1 April 2025.
- (3) Sub-paragraph (4) applies if—
- (a) a theatrical production has entered production before 1 April 2024,
 - (b) the separate theatrical trade in respect of the production continues on or after 1 April 2025,
 - (c) the production company's company tax return for the first accounting period that ends on or after 1 April 2025 is accompanied by a statement of the amount of the core expenditure on the theatrical production incurred before 1 April 2025 that is European expenditure, and
 - (d) that statement shows that, in respect of core expenditure incurred before 1 April 2025, the European expenditure condition is met.
- (4) The company's entitlement to—
- (a) an additional deduction under section 1217H of CTA 2009, or
 - (b) a tax credit under section 1217K of that Act,
- is unaffected by a failure to meet the UK expenditure condition so far as the entitlement derives from expenditure incurred before 1 April 2025.
- (5) For the purposes of sub-paragraph (4), an entitlement to a tax credit under section 1217H of CTA 2009 derives from expenditure incurred before 1 April 2025 to the extent that it would arise if only costs incurred and income received before that date were taken into account in calculating the surrenderable loss of the company for the purposes of section 1217KA of that Act.
- (6) Sub-paragraph (7) applies in relation to a theatrical production in respect of which the separate theatrical trade continues on or after 1 April 2025.
- (7) The reference in section 1217NA(1) of CTA 2009, as amended by paragraph 5, to a statement having been made under section 1217N(2) of that Act includes reference

Status: This is the original version (as it was originally enacted).

to a statement having been made in relation to the European expenditure condition under that provision before it was amended by paragraph 5.

- (8) But the application of section 1217NA(1) of CTA 2009 as so amended is subject to sub-paragraph (4) (where that sub-paragraph applies).
- (9) In this paragraph—
 “theatrical production”, “separate theatrical trade”, “production company” and “core expenditure” have the same meanings as in Part 15C of CTA 2009;
 “UK expenditure condition” has the same meaning as in that Part after the amendments made by paragraph 5;
 “European expenditure” and “European expenditure condition” have the same meanings as in that Part before the amendments made by paragraph 5.
- (10) For the purposes of this paragraph, a theatrical production “enters production” when core expenditure is first incurred on it.

Transitional provision in relation to paragraph 6

- 12 (1) This paragraph makes transitional provision in relation to paragraph 6.
- (2) The amendments made by that paragraph have effect in relation to accounting periods ending on or after 1 April 2024.
- (3) Sub-paragraph (4) applies in a case where expenditure incurred before 1 April 2024 is to be taken into account as qualifying expenditure for the purposes of section 1217J of CTA 2009 (amount of relief for theatrical production).
- (4) The references in subsections (2) and (3) of that section (as amended by paragraph 6) to so much of the qualifying expenditure incurred to date as is UK expenditure are to be read as references to so much of the qualifying expenditure incurred to date as—
 (a) has been incurred before 1 April 2024 and is European expenditure, or
 (b) has been incurred on or after that date and is UK expenditure.
- (5) But if the theatrical production in relation to which sub-paragraph (4) applies has entered production before 1 April 2024, the production company may elect for that sub-paragraph to have effect in relation to that production as if “2025” were substituted for “2024”.
- (6) In this paragraph—
 “theatrical production”, “production company” and “core expenditure” have the same meanings as in Part 15C of CTA 2009;
 “UK expenditure” has the same meaning as in that Part after the amendments made by paragraph 5;
 “European expenditure” has the same meaning as in that Part before the amendments made by paragraph 5.
- (7) For the purposes of sub-paragraph (5), a theatrical production “enters production” when core expenditure is first incurred on it.