

2014 No. 2409

CORPORATION TAX

**The Corporation Tax (Instalment Payments) (Amendment)
Regulations 2014**

Made - - - - *9th September 2014*
Laid before the House of Commons *10th September 2014*
Coming into force - - *1st October 2014*

The Treasury make the following Regulations in exercise of the powers conferred by section 59E(1) of the Taxes Management Act 1970(a).

Citation and commencement

1.—(1) These Regulations may be cited as the Corporation Tax (Instalment Payments) (Amendment) Regulations 2014 and come into force on 1st October 2014.

(2) These Regulations have effect in relation to accounting periods beginning on or after 1st April 2015.

Amendment of the Corporation Tax (Instalment Payments) Regulations 1998

2.—(1) The Corporation Tax (Instalment Payments) Regulations 1998(b) are amended as follows.

(2) In regulation 2 (interpretation), in paragraph (2) for “32” substitute “279G(c)”.

(3) In regulation 3 (large companies)—

(a) for paragraph (1) substitute—

“(1) Subject to the following paragraphs in this regulation, a large company is a company whose profits in any accounting period exceed £1,500,000.”

(b) for paragraph (5) substitute—

“(5) If a company has one or more related 51% group companies in an accounting period—

(a) the amount specified in paragraph (1) is substituted by the following amount—

(a) 1970 c. 9; section 59E was inserted by section 30 of the Finance Act 1998 (c. 36) and has been amended by section 92(2) of the Finance Act 2002 (c. 23), by paragraph 155 of Schedule 1 to the Corporation Tax Act 2010 (c. 4), by paragraph 58 of Schedule 19 to the Finance Act 2011 (c. 11), by paragraph 102 of Schedule 20 to the Finance Act 2012 (c. 14) and paragraph 9 of Schedule 30 to the Finance Act 2013 (c. 29). See section 59E(10) for the meaning of “prescribed”. This power is exercised by statutory instrument which is subject to annulment in pursuance of a resolution of the House of Commons in accordance with section 1171 of the Corporation Tax Act 2010.

(b) S.I. 1998/3175, amended by section 92(5) to (7) of the Finance Act 2002 and S.I. 2011/1785, there are other amending instruments but none is relevant.

(c) Section 279G of the Corporation Tax Act 2010 was inserted by section 7 of the Finance Act 2014 (c. 26).

$$\frac{\pounds 1,500,000}{(1 + N)}$$

where N is the number of related 51% group companies, and

- (b) the amount specified in paragraph (3)(a) is substituted by the following amount—

$$\frac{\pounds 10,000,000}{(1 + N)}$$

where N is the number of those related 51% group companies.

(5A) The number of related 51% group companies in paragraph (5) is determined by reference to the number of such companies existing at the end of the immediately preceding accounting period of the company or, if there is no immediately preceding accounting period or the immediately preceding accounting period did not end on the day before the accounting period concerned commenced, by reference to the number existing at the commencement of the accounting period concerned.

(5B) In paragraphs (5) and (5A) “related 51% group company” has the same meaning as in section 279F of CTA 2010(a).”

- (c) For paragraph (8) substitute—

“(8) For the purposes of this regulation for an accounting period of less than 12 months the amounts in paragraphs (1) and (3)(a) and the amounts of £1,500,000 and £10,000,000 in paragraph (5) are proportionately reduced.”

Gavin Barwell
Mark Lancaster

9th September 2014

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175) (“the principal Regulations”) following changes to simplify tax legislation as a result of the unification of corporation tax rates in the Finance Act 2014. The principal Regulations provide that a large company’s liability to corporation tax for an accounting period is due and payable in instalments.

Regulation 1 deals with citation, commencement and effect.

Regulation 2 amends regulation 2 to up-date the statutory reference to the defined term “augmented profits” and amends regulation 3 to make consequential amendments to the definition of a large company following the simplification measures in Finance Act 2014. The amendment inserts an amount for the profit limit, a formula to determine the profit limits in the case of certain groups and an apportionment provision.

A Tax Information and Impact Note covering this instrument was first published on 10 December 2013 and is available on the HMRC website at <https://www.gov.uk/government/publications/finance-bill-2014-tiins>. This remains an accurate summary of the impacts that also apply to this instrument.

(a) Section 279F of the Corporation Tax Act 2010 was inserted by paragraph 5 of Schedule 1 to the Finance Act 2014.

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