

2010 No. 2902

INCOME TAX

CORPORATION TAX

CAPITAL GAINS TAX

The Corporation Tax Act 2010 (Amendment) Order 2010

<i>Made</i>	- - - -	<i>6th December 2010</i>
<i>Laid before the House of Commons</i>		<i>7th December 2010</i>
<i>Coming into force</i>	- -	<i>1st January 2011</i>

The Treasury make the following Order in exercise of the power conferred by section 1179 of the Corporation Tax Act 2010(a).

Citation, commencement and effect

1.—(1) This Order may be cited as the Corporation Tax Act 2010 (Amendment) Order 2010 and comes into force on 1st January 2011.

(2) The amendments made by this Order shall be deemed to have come into force on 1st April 2010 and have effect—

- (a) for corporation tax purposes, for accounting periods ending on or after 1st April 2010, and
- (b) for income tax and capital gains tax purposes, for the tax year 2010-11 and subsequent tax years.

Amendment of the Taxation of Chargeable Gains Act 1992

2.—(1) The Taxation of Chargeable Gains Act 1992(b) is amended as follows.

(2) In section 170(8)(c) (interpretation of sections 171 to 181)—

- (a) omit “and” at the end of paragraph (a),
- (b) after paragraph (a) insert—

“(aa) in section 158 of that Act after subsection (2) there were inserted—

“(2A) But for those purposes a person carrying on a business of banking is not treated as a loan creditor of a company in respect of any loan capital or debt issued or incurred by the company for

(a) 2010 c. 4.
(b) 1992 c. 12.
(c) Section 170(8) was substituted by paragraph 242(4) of Schedule 1 to the Corporation Tax Act 2010.

money lent by the person to the company in the ordinary course of that business.”, and”.

(3) In paragraph 8(2) of Schedule 7AC(a) (exemptions for disposals by companies with substantial shareholding) for the words from “but” to the end substitute—

“but as if—

(a) in section 158 of that Act after subsection (2) there were inserted—

“(2A) But for those purposes a person carrying on a business of banking is not treated as a loan creditor of a company in respect of any loan capital or debt issued or incurred by the company for money lent by the person to the company in the ordinary course of that business.”, and

(b) sections 171(1)(b) and (3), 173, 174 and 176 to 181 of that Act were omitted.”.

Amendment of the Corporation Tax Act 2009

3. For section 772(2) of the Corporation Tax Act 2009(b) (equity holders and profits or assets available for distribution) substitute—

“(2) In that Chapter as it applies for those purposes—

(a) section 158 of CTA 2010 has effect as if after subsection (2) there were inserted—

“(2A) But for those purposes a person carrying on a business of banking is not treated as a loan creditor of a company in respect of any loan capital or debt issued or incurred by the company for money lent by the person to the company in the ordinary course of that business.”, and

(b) sections 171(1)(b) and (3), 173, 174 and 176 to 182 of that Act are to be treated as omitted.”.

Amendment of the Corporation Tax Act 2010

4. In Schedule 2 to the Corporation Tax Act 2010 (transitionals and savings etc), for paragraph 64(6) substitute—

“(6) The relevant amount is an amount equal to so much of the rentals that—

(a) become due on or after 13 November 2008, and

(b) are due wholly or partly in respect of the period of account,

as would not reasonably be regarded as reflected in the rental earnings for that period of account.”.

Brooks Newmark
Michael Fabricant

6th December 2010

Two of the Lords Commissioners of Her Majesty’s Treasury

(a) Schedule 7AC was inserted by paragraph 1 of Schedule 8 to the Finance Act 2002 (c. 23). Paragraph 8(2) of the Schedule was substituted by paragraph 269(3) of Schedule 1 to the Corporation Tax Act 2010.

(b) 2009 c. 4. Section 772(2) was substituted by paragraph 646 of Schedule 1 to the Corporation Tax Act 2010.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order exercises power conferred by the Corporation Tax Act 2010 to undo unintended changes resulting from the work of the Tax Law Re-write project. The Acts affected are the Taxation of Chargeable Gains Act 1992 (c. 12) (article 2), the Corporation Tax Act 2009 (c. 4) (article 3) and the Corporation Tax Act 2010 (c. 4) (article 4) itself.

Authority for the retrospective provision made by this Order is conferred by section 1179(4) of the Corporation Tax Act 2010.

A full and final Impact Assessment has not been produced for this Order as no impact on the private or voluntary sectors is foreseen.

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STATUTORY INSTRUMENTS

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