

Amendments 46 and 47 to Clause 24 and Schedule 8: Corporate interest restriction

Summary

1. These amendments provide a minor correction to the definition of a “non-consolidated subsidiary” for the purposes of Part 10 of Taxation (International and Other Provisions) Act 2010 (TIOPA). In particular, they ensure that subsidiaries classified as “held for distribution to owners” are regarded as non-consolidated subsidiaries in the same way as “held for sale” subsidiaries.

Details of the amendments

2. Paragraph 13 of Schedule 8 Finance (No.2) Bill makes changes to section 475 TIOPA which provides a definition of a “non-consolidated subsidiary”.
3. Amendment 46 inserts “or held for distribution to owners” at the end of paragraph 13(2). This extends the definition of non-consolidated subsidiary so that it includes a subsidiary that is held for distribution to owners.
4. Amendment 47 replaces the text to be inserted by paragraph 13(3) so as to provide a definition for what is meant by “held for distribution to owners”.

Background note

5. These amendments are minor corrections to the definition of “non-consolidated subsidiary” in relation to Corporate Interest Restriction.
6. Paragraph 13 amends section 475 of TIOPA so that a subsidiary accounted for as a “held for sale” asset is treated as being a non-consolidated subsidiary.
7. These amendments extend this so that a subsidiary that is classified for accounting purposes as a “held for distribution to owners” asset is likewise treated as being a non-consolidated subsidiary.