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## **32 Exploitation of patents etc: commencement and transitional provision**

- (1) The amendments made by section 31 and the Schedule to that section have effect in relation to accounting periods beginning on or after 1 July 2016.
- (2) Subsection (3) applies where a company has an accounting period (“the straddling period”) which begins before, and ends on or after, 1 July 2016 or 1 July 2021 (“the relevant date”).
- (3) For the purposes of subsection (1) and Part 8A of CTA 2010—
  - (a) so much of the straddling period as falls before the relevant date, and so much of that period as falls on or after that date, are treated as separate accounting periods, and
  - (b) any amounts brought into account for the purposes of calculating for corporation tax purposes the profits of any trade of the company for the straddling period are apportioned to the two separate accounting periods on such basis as is just and reasonable.
- (4) Subsection (5) applies to an amount of relevant IP income of a company if—
  - (a) the company is not a new entrant,
  - (b) the income is properly attributable to a new qualifying IP right which was assigned to the company, or in respect of which an exclusive licence was granted to the company, during the period which began with 2 January 2016 and ended with 30 June 2016, and
  - (c) the income accrued to the company during the period which began with 1 July 2016 and ended with 31 December 2016.
- (5) The income is to be treated for the purposes of Part 8A of CTA 2010 as being properly attributable to a qualifying IP right which is not a new qualifying IP right.
- (6) Expressions used in this section and in Part 8A of CTA 2010 have in this section the meaning they have in that Part.