

SCHEDULE

Section 1

TAX TREATMENT OF FINANCING COSTS AND INCOME

- 1 This Schedule applies if—
  - (a) a company (“C”) was, for the purposes of Part 7 of TIOPA 2010, a member of a worldwide group in a period of account of the group beginning before 1 April 2017,
  - (b) the reporting body has, in relation to that period of account, submitted—
    - (i) a statement of disallowances under section 278 or 279 of TIOPA 2010, and
    - (ii) a statement of allocated exemptions under section 290 or 291 of that Act,
  - (c) after the submission of the statement mentioned in sub-paragraph (b), the total disallowed amount of the worldwide group for that period of account is reduced (as a result of an enquiry into C’s company tax for a relevant accounting period or otherwise),
  - (d) as a result of the reduction in the total disallowed amount, the sum of the amounts specified in the statement of allocated exemptions under section 292(4)(b) of TIOPA 2010 exceeds the limit specified in section 292(6) of that Act,
  - (e) on or after 15 March 2023, the reporting body submits a revised statement of disallowances under section 279 of TIOPA 2010, and
  - (f) the revised statement of disallowances is treated, under regulation 13 of the 2009 Regulations, as if it had been received by HMRC by the time specified in section 279(2) of TIOPA 2010.
- 2 (1) Part 7 of TIOPA 2010 has effect in relation to the worldwide group as if the revised statement of disallowances had not been submitted unless—
  - (a) on or after 15 March 2023, the reporting body also submits a revised statement of allocated exemptions under section 291 of TIOPA 2010, and
  - (b) the revised statement of allocated exemptions is treated, under regulation 28 of the 2009 Regulations or under sub-paragraph (2), as if it had been received by HMRC by the time specified in section 291(2) of TIOPA 2010.
- (2) Where the revised statement of allocated exemptions mentioned in sub-paragraph (1)(a) is received by HMRC before the end of the period of 30 days beginning with the day on which this Act comes into force, it is treated for the purposes of this Schedule (and of the application of Part 7 of TIOPA 2010 for the purposes of this Schedule) as if it had been received by HMRC by the time specified in section 291(2) of TIOPA 2010.
- (3) If the revised statement of disallowances referred to in paragraph 1(e) specifies that no financing expense amounts for the relevant period of account are to be disallowed, the requirement in section 280(4) of TIOPA 2010 does not apply in relation to the statement.

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- (4) If the revised statement of allocated exemptions referred to in sub-paragraph (1)(a) specifies that no financing income amounts for the relevant period of account are to be exempted, the requirement in section 292(4) of TIOPA 2010 does not apply in relation to the statement.
- 3 For the purposes of this Schedule (and of the application of Part 7 of TIOPA 2010 for the purposes of this Schedule) references to the “reporting body” include references to C unless—
- (a) the ultimate parent of the worldwide group notifies HMRC that another company is the reporting body for those purposes,
  - (b) the other company is—
    - (i) for the purposes of paragraph 1, a company to which Chapter 3 of Part 7 of TIOPA 2010 applies, or
    - (ii) for the purposes of paragraph 2(1), a company to which Chapter 4 of Part 7 of TIOPA 2010 applies, and
  - (c) the notice is given before the end of the period within which the revised statement of disallowances mentioned in paragraph 1(f) would be treated, under regulation 13 of the 2009 Regulations, as if it had been received by HMRC by the time specified in section 279(2) of TIOPA 2010.
- 4 (1) References in this Schedule to any provision of Part 7 of TIOPA 2010, or of the 2009 Regulations, are references to that provision as it continues to have effect in relation to—
- (a) periods of account of the worldwide group ending before 1 April 2017, and
  - (b) where financial statements of the worldwide group are drawn up in respect of a period that begins before, and ends on or after, 1 April 2017, the period—
    - (i) beginning at the time the straddling period of account (as defined in paragraph 26(3)(b) of Schedule 5 to F(No.2)A 2017) begins, and
    - (ii) ending with 31 March 2017.
- (2) In this Schedule, the “2009 Regulations” means the Corporation Tax (Financing Costs and Income) Regulations 2009 (S.I. 2009/3173).
- (3) Terms used in this Schedule and in Part 7 of TIOPA 2010 have the same meaning as in that Part of that Act.