



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 2

DOUBLE TAXATION RELIEF

CHAPTER 3

MISCELLANEOUS PROVISIONS

When foreign tax disregarded in applying Part for corporation tax purposes

107 Disregard of foreign tax referable to derivative contract

- (1) In applying this Part for corporation tax purposes in relation to a company, disregard tax within subsection (2).
- (2) Tax is within this subsection in relation to a company so far as the tax—
 - (a) is tax under the law of a territory outside the United Kingdom, and
 - (b) is attributable, on a just and reasonable apportionment, to so much of a notional interest payment as, on such an apportionment, is attributable to a time when the company is not a party to the derivative contract concerned.
- (3) For the purposes of this section, a payment is a “notional interest payment” if—
 - (a) a derivative contract specifies—
 - (i) a notional principal amount,
 - (ii) a period, and
 - (iii) a rate of interest,
 - (b) the amount of the payment is determined (wholly or mainly) by applying a rate to the specified notional principal amount for the specified period, and

Changes to legislation: *There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 107. (See end of Document for details)*

- (c) the value of the rate is the same at all times as that of the specified rate of interest.

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There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 107.