

## SCHEDULES

### SCHEDULE 5

#### NON-UK RESIDENT COMPANIES CARRYING ON UK PROPERTY BUSINESSES ETC

##### PART 1

###### EXTENSION OF SCOPE OF CHARGE

- 1 Section 5 of CTA 2009 (territorial scope of charge to corporation tax) is amended as follows.
- 2 In subsection (2) (circumstances in which non-UK resident company is within the charge)—
  - (a) omit “or” at the end of paragraph (a), and
  - (b) after paragraph (b) insert “,
    - (c) it carries on a UK property business, or
    - (d) it has other UK property income.”
- 3 After subsection (3) insert—

“(3A) A non-UK resident company which carries on a UK property business is chargeable to corporation tax on income on all its profits that are—

  - (a) profits of that business, or
  - (b) profits arising from loan relationships or derivative contracts that the company is a party to for the purposes of that business.

(3B) A non-UK resident company which has other UK property income is chargeable to corporation tax on income on all its profits that—

  - (a) consist of that income, or
  - (b) are profits arising from loan relationships or derivative contracts that the company is a party to for the purposes of enabling it to generate that income.”
- 4 In subsection (4) for “(2A) and (3)” substitute “and (2A) to (3B)”.
- 5 At the end insert—

“(6) In this Part “other UK property income” means income dealt with by any of the following Chapters of Part 4—

  - (a) Chapter 7 (rent receivable in connection with a UK section 39(4) concern);
  - (b) Chapter 8 (rent receivable for UK electric-line wayleaves);
  - (c) Chapter 9 (post-cessation receipts arising from a UK property business).”