

Bill 6: Charges

Summary

1. This paper presents draft clauses which rewrite sections 338, 338A, 339, 587B, 587BA and 587C of ICTA.
2. These provisions allow a deduction for charges from a company's total profits and explain what those charges are.
3. The paper contains:
 - the draft clauses, with origins;
 - draft explanatory notes; and
 - draft notes outlining two proposed changes in the law.
4. Some of the clauses are corporation tax counterparts to income tax provisions rewritten in Chapter 3 of Part 8 of ITA 2007.
5. There are just two proposed changes.

Questions for the committee

6. We would be grateful for any comments you may have on these draft clauses.
7. As the proposed changes replicate ones made for income tax purposes, they have already been consulted on and scrutinised by the Joint Committee as the Income Tax Bill was being considered by Parliament. If there are nonetheless any comments on these proposed changes we should be grateful to have them.

Closing date for comments

8. We would welcome any comments by 18 July 2008. If possible, they should be sent by e-mail to:

jackie.bartlett@hmrc.gsi.gov.uk

Written comments should be sent to:

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9. Please note that the names of respondents may be published unless they ask for their comments to be treated in confidence.

17 April 2008