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PART 1

CORPORATION TAX LIABILITY: MISCELLANEOUS RULES

CHAPTER 1

OTHER MISCELLANEOUS RULES

Groups: use of different accounting practices

1 Use of different accounting practices within a group of companies [j9201]

- (1) Subsection (2) applies if—
- (a) a company (“company A”) prepares accounts in accordance with international accounting standards,
 - (b) another company (“company B”) in the same group of companies prepares accounts in accordance with UK generally accepted accounting practice,
 - (c) there is a transaction between, or a series of transactions involving, company A and company B, and
 - (d) a tax advantage would (apart from this section) be obtained by either or both of those companies in relation to the transaction or series of transactions as a result of the use of different accounting practices.

[Origin: FA 2004 s.51\(1\).](#)

- (2) The Corporation Tax Acts apply in relation to the transaction or series of transactions as if both company A and company B prepared accounts in accordance with UK generally accepted accounting practice.

[Origin: FA 2004 s.51\(2\).](#)

- (3) Section 170(3) to (6) of TCGA 1992 apply to determine for the purposes of this section whether companies are in the same group of companies.

[Origin: FA 2004 s.51\(3\).](#)

- (4) None of the following circumstances (individually or in combination) prevents a series of transactions from being a series of transactions involving company A and company B—
- (a) there is no transaction in the series to which both those companies are parties,
 - (b) the parties to any arrangements in pursuance of which the transactions in the series are entered into do not include one or both of those companies,
 - (c) there are one or more transactions in the series to which neither of those companies is a party.

Origin: FA 2004 s.51(4).

- (5) In this section “tax advantage” has the meaning given by [section 840ZA of ICTA].

Origin: FA 2004 s.51(5).

SCHEDULES

SCHEDULE 1

Section {j999997B6}

TRANSITIONALS AND SAVINGS ETC [j3 (s. 51 FA 2004)]

PART 1

USE OF DIFFERENT ACCOUNTING PRACTICES WITHIN A GROUP OF COMPANIES

- 1 Section 1 does not have effect in relation to periods of account beginning before 1 January 2005.

Origin: FA 2004 s.51(6).

SCHEDULE 2

Section {j999998}

REPEALS AND REVOCATIONS [j4 (s.51 FA 2004)]

PART 1

REPEALS (s. 51 FA 2004)

<i>Reference</i>	<i>Extent of repeal or revocation</i>
Finance Act 2004 (c. 12)	Section 51.
Income Tax Act 2007 (c. 3)	In Schedule 1, paragraph 458.
