

# Bill 6

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Part 1 – Repeals (loss relief)

## PART 1

### LOSS RELIEF

#### 1 Registered industrial and provident societies [j4515]

- (1) This section applies for the purposes of section [j4513rm] if the company carrying on the trade is a registered industrial and provident society.

Origin: Annex 1, Change [jc667].

- (2) The following amounts may be brought into account in calculating the profits of the trade –

- (a) amounts to which the charge to corporation tax on income applies under section [J061080] of the [Corporation Tax Act 2009] (charge to tax on non-trading profits from loan relationships), and
- (b) amounts arising from possessions out of the United Kingdom to which the charge to corporation tax on income applies under any of the provisions mentioned in subsection (3).

Origin: Annex 1, Change [jc667].

- (3) The provisions are the following sections of the [Corporation Tax Act 2009] –
- (a) section [j050201b] (profits of a property business),
  - (b) section [j52142] (dividends of non-UK resident company),
  - (c) section [j062501] (annuity payments under a purchased life annuity),
  - (d) section [J062950] (income arising from foreign holdings),
  - (e) section [j102201] (annual payments not otherwise charged),
  - (f) section [J102601] (income not otherwise charged).

Origin: Annex 1, Change [jc667].

- (4) [In subsection (1) “registered industrial and provident society” has the meaning given by [section 486(12) of ICTA].]

Origin: Annex 1, Change [jc667].

#### 2 Non-UK resident company: receipts of interest, dividends or royalties [j4516]

- (1) This section applies if –
- (a) a non-UK resident company carries on a trade in the United Kingdom, and
  - (b) tax-exempt receipts of interest, dividends or royalties arise to the company.

Origin: ICTA s.808.

- (2) Subsection (3) applies if excluding the receipts from the profits of the trade would result in a loss to be deducted under section [{j4505rm}](#) or [{j4513rm}](#).

[Origin: ICTA s.808.](#)

- (3) The receipts are to be included for the purposes of those sections in the profits of the trade.

[Origin: ICTA s.808.](#)

- (4) For the purposes of subsection (1) a receipt is “tax-exempt” if it has been treated as tax-exempt under arrangements having effect by virtue of [section 788 of ICTA].

[Origin: ICTA s.808.](#)

## SCHEDULES

### SCHEDULE 1

Section [jref]

#### CONSEQUENTIAL AMENDMENTS (LOSS RELIEF) [j4LOSSRELIEFCONSEQUENTIALS]

##### PART 1

##### INCOME AND CORPORATION TAXES ACT (LOSS RELIEF)

- 1 The Income and Corporation Taxes Act 1988 (c. 1) is amended as follows.
- 2 After section 436B insert –

#### **“436C Non-UK resident company: receipts of interest, dividend or royalties**

- (1) This section applies if –
  - (a) an insurance company not resident in the United Kingdom carries on a gross roll-up business in the United Kingdom, and
  - (b) tax-exempt receipts of interest, dividend or royalties arise to the company.
- (2) The receipts are not to be excluded from profits of the business so as to give rise to a loss to be set off under section 436A(4) against profits.
- (3) For the purposes of subsection (1) a receipt is “tax-exempt” if it has been treated as tax-exempt under arrangements having effect by virtue of [section 788].”

Origin: ICTA s.808.

### SCHEDULE 2

Section [j999998]

#### REPEALS AND REVOCATIONS [j4LOSSESREPEALS]

##### REPEALS (LOSS RELIEF)

<i>Reference</i>	<i>Extent of repeal or revocation</i>
Income and Corporation Taxes Act 1988 (c. 1)	Section 808.