

Factoring of income etc

Summary

1. This paper presents draft provisions which rewrite sections 730, 774A to 774G, 775A and 786 of ICTA (factoring of income etc).
2. The paper contains:
 - draft clauses of Bill 6 (corporation tax) and a draft Schedule to Bill 7 inserting new sections of ITA (income tax), with origins;
 - draft explanatory notes on the clauses;
 - draft notes outlining three proposed changes in the law of corporation tax;
 - draft explanatory notes on the new sections; and
 - draft notes outlining three proposed changes in the law of income tax.
3. The draft provisions rewrite a group of complex anti-avoidance provisions dealing with factoring of income, and split them between the codes of income tax and corporation tax.

Questions for the committee

4. We would be grateful for any comments you may have on these draft provisions. In particular, we would welcome comments on the restructuring of the provisions.
5. We would also welcome comments on the proposed rewrite changes which are intended for inclusion in Annex 1 to the explanatory notes on the Bills. They replicate changes made for income tax purposes and so 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

6. We would welcome any comments by 2 January 2009. 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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7. Please note that the names of respondents may be published unless they ask for their comments to be treated in confidence.

3 October 2008