

Bill 5

CONTENTS

PART 1

BASIC PROVISIONS

CHAPTER 1

ACCOUNTING PERIODS

- 1 Beginning of accounting period [J9010]
- 2 End of accounting period [j9011]
- 3 Companies with more than one accounting date [j9013]
- 4 Companies being wound up [j9014]
- 5 Companies in administration [j9015]
- 6 Trade includes office [j9017]

A
B I L L

TO

Make provision

BE IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

PART 1

BASIC PROVISIONS

CHAPTER 1

ACCOUNTING PERIODS

1 Beginning of accounting period [J9010]

- (1) An accounting period of a company begins—
- (a) when the company comes within the charge to corporation tax, or
 - (b) immediately after the end of the previous accounting period of the company, if the company is still within the charge to corporation tax.

Origin: ICTA s.12(2).

- (2) A UK resident company is treated as coming within the charge to corporation tax when it starts to carry on business, if it would not otherwise be within the charge to corporation tax.

Origin: ICTA s.12(4).

- (3) If a chargeable gain or allowable loss accrues to a company at a time which is not (ignoring this subsection) within an accounting period of the company—
- (a) an accounting period of the company begins at that time, and
 - (b) the gain or loss accrues in that accounting period.

Origin: ICTA s.12(6).

- (4) This section is subject to—

section 4 (companies being wound up),
section 342A(8) of ICTA (effect on company's accounting period of wrong
assumed date for relevant event), and
any other provision of the Corporation Tax Acts which provides for an
accounting period of a company to begin at a different time.

Origin: ICTA s.12(7), (9), s.342A(8); drafting.

2 End of accounting period [j9011]

- (1) An accounting period of a company ends—
- (a) at the end of the period of 12 months beginning on the first day of the accounting period,
 - (b) on the company's accounting date,
 - (c) if there is a period for which the company does not make up accounts, at the end of that period,
 - (d) immediately before the company starts to trade,
 - (e) when the company ceases to trade,
 - (f) immediately before the company comes within the charge to corporation tax in respect of—
 - (i) the trade it carries on, if it carries on only one trade, or
 - (ii) all the trades it carries on, if it carries on more than one trade,
 - (g) when the company ceases to be within the charge to corporation tax in respect of—
 - (i) the trade it carries on, if it carries on only one trade, or
 - (ii) all the trades it carries on, if it carries on more than one trade,
 - (h) immediately before the company becomes UK resident,
 - (i) when the company ceases to be UK resident, or
 - (j) when the company ceases to be within the charge to corporation tax.

Origin: ICTA s.12(3); TSCR 2006 reg.15.

- (2) The accounting period ends on the occurrence of the first of those things to occur.

Origin: ICTA s.12(3).

- (3) This section is subject to—
- section 3 (companies with more than one accounting date),
 - section 4 (companies being wound up),
 - section 5 (companies in administration),
 - section 12(7A) to (7C) of ICTA (effect of insurance business transfer schemes), and
 - any other provision of the Corporation Tax Acts which provides for an accounting period to end at a different time.

Origin: ICTA s.12(5), (5A), (7), (7ZA), (9); drafting.

3 Companies with more than one accounting date [j9013]

- (1) This section applies if a company carrying on more than one trade—
- (a) does not have the same accounting date for each of the trades, and

- (b) does not make up general accounts for the whole of the company's activities.

Origin: ICTA s.12(5).

- (2) The company may choose which accounting date is to be used for the purpose of section 2(1)(b).

Origin: ICTA s.12(5).

- (3) But if an officer of Revenue and Customs thinks, on reasonable grounds, that the date chosen by the company is inappropriate, the officer may give notice to the company directing one of the other accounting dates to be used for that purpose instead.

Origin: ICTA s.12(5A); Annex 1, change [jc209].

4 Companies being wound up [j9014]

- (1) This section applies (instead of sections 1 and 2) if a company is being wound up.

Origin: ICTA s.12(7).

- (2) An accounting period of the company ends immediately before the winding up starts.

Origin: ICTA s.12(7).

- (3) An accounting period of the company begins when the winding up starts.

Origin: ICTA s.12(7).

- (4) After the winding up starts, an accounting period of the company ends –
 - (a) at the end of the period of 12 months beginning on the first day of the accounting period, or
 - (b) if earlier, when the winding up is completed.

Origin: ICTA s.12(7).

- (5) This section is subject to –
 - section 5 (companies in administration),
 - section 12(7A) to (7C) of ICTA (effect of insurance business transfer schemes),
 - section 342(6) of ICTA (effect on company's accounting period of wrong assumed date for completion of winding up), and
 - any other provision of the Corporation Tax Acts (apart from sections 1 and 2 of this Act) which provides for an accounting period of a company to begin or end at a different time.

Origin: ICTA s.12(7), (9); drafting.

- (6) For the purposes of this section a winding up of a company starts –
 - (a) when the company passes a resolution for the winding up of the company,
 - (b) when a petition for the winding up of the company is presented, if the company has not already passed such a resolution and a winding up order is made on the petition, or

- (c) when an act is done in relation to the company for a similar purpose, if the winding up is not under the Insolvency Act 1986 (c. 45).

Origin: ICTA s.12(7).

5 Companies in administration [j9015]

- (1) This section applies (despite sections 2 and 4) if a company enters administration.

Origin: ICTA s.12(3), (7ZA).

- (2) An accounting period of the company ends immediately before the day the company enters administration.

Origin: ICTA s.12(7ZA).

- (3) An accounting period of the company ends when the company ceases to be in administration.

Origin: ICTA s.12(3).

- (4) This section is subject to—
section 12(7A) to (7C) of ICTA (effect of insurance business transfer schemes),
section 342A(8) of ICTA (effect on company's accounting period of wrong assumed date for relevant event), and
any other provision of the Corporation Tax Acts (apart from section 4) which provides for an accounting period of a company to begin or end at a different time.

Origin: ICTA s.12(7), (9), s.342A(8); drafting.

- (5) For the purposes of this section a company enters administration—
(a) when it enters administration under Schedule B1 to the Insolvency Act 1986, or
(b) when it is subject to a corresponding procedure, other than one under that Act.

Origin: ICTA s.12(7ZA).

- (6) For the purposes of this section a company ceases to be in administration—
(a) when it ceases to be in administration under Schedule B1 to the Insolvency Act 1986, or
(b) when a corresponding event occurs other than under that Act.

Origin: ICTA s.12(5B).

6 Trade includes office [j9017]

In this Part—

- (a) references to a trade include an office, and
(b) references to carrying on a trade include holding an office.

Origin: ICTA s.6(4).

