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(Brent South - Lab)

Amendment 74

Leave out '747(4)' and insert '747(3)'

EXPLANATORY NOTE**SUMMARY**

1. This amendment corrects an incorrect cross reference

DETAILS

2. Clause 32(3) inserts paragraph 6B to Schedule 28AA ICTA 1988
3. Paragraph 6B enables a compensating adjustment to be claimed where the advantaged party is a Controlled Foreign Company, the profits of which have been wholly apportioned to the UK.
4. 6B(1) sets out the circumstances under which a nominal computational adjustment under the CFC rules will give rise to a compensating adjustment. The third condition is that an apportionment must have been made. An apportionment is made under section 747(3) of the 1988 Act (although tax is charged by virtue of section 747(4)). Hence the reference in 6B(1)(c) to section 747(4) is incorrect.