STATUTORY INSTRUMENTS

2017 No. 1072

CORPORATION TAX

The Corporation Tax (Instalment Payments) (Amendment) Regulations 2017

Made - - - -	*7th November 2017*
Laid before the House of Commons - - - -	*8th November 2017*
Coming into force - -	*1st April 2019*

The Treasury, in exercise of the powers conferred by section 59E of the Taxes Management Act 1970(**1**), make the following Regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Corporation Tax (Instalment Payments) (Amendment) Regulations 2017 and come into force on 1st April 2019.

(2) These Regulations have effect in relation to accounting periods beginning on or after 1st April 2019.

Amendment of the Corporation Tax (Instalment Payments) Regulations 1998

2. The Corporation Tax (Instalment Payments) Regulations 1998(**2**) are amended as follows.

Amendment of regulation 2

3.—(1) In regulation 2(1) (interpretation)—

(a) for the definition of "large company" substitute—

> ""large company" has the meaning given by regulation 3(1) or 3A (as the case may be);";

(b) after the definition of "large company" insert—

> ""related 51% group companies" has the same meaning as it has in section 279F of CTA 2010(**3**);";

(**1**) 1970 c. 9. Section 59E was inserted by section 30(1) of the Finance Act 1998 (c. 36).
(**2**) S.I. 1998/3175 as amended by S.I. 1999/1929, 2000/892, 2005/889, 2008/2649, 2011/1785 and 2014/2409.
(**3**) 2010 c. 4. Section 279F of the Corporation Tax Act 2010 was inserted by paragraph 5(3) of Schedule 1 to the Finance Act 2014 (c. 26).

(c) after the definition of "the Management Act", omit "and";

(d) for the definition of "the Taxes Act" substitute—

""the Taxes Act" means the Income and Corporation Taxes Act 1988;"; and

(e) after that definition insert—

""very large company" has the meaning given by regulation 3(2) or 3A (as the case may be).".

(2) In regulation 2(3) (interpretation of total liability), for "References in these Regulations" substitute "Except as provided by regulation 3A, references in these Regulations".

Amendment of regulation 3

4. For regulation 3 (large companies) substitute—

"**Large and very large companies**

3.—(1) Subject to paragraphs (3) to (5), a company (other than a relevant entity or a responsible member) is a large company by virtue of this regulation in respect of an accounting period if its profits in that period exceed £1.5 million but do not exceed £20 million.

(2) Subject to paragraphs (3) and (4), a company (other than a relevant entity or a responsible member) is a very large company by virtue of this regulation in respect of an accounting period if its profits in that period exceed £20 million.

(3) The amounts of profits specified in paragraphs (1) and (2) are subject to the provisions in paragraphs (8) and (10).

(4) A company is not in respect of an accounting period—

(a) a large company by virtue of paragraph (1); or

(b) a very large company by virtue of paragraph (2),

if its total liability for the period does not exceed £10,000 (or such amount as applies by virtue of paragraph (10)).

(5) A company is not in respect of an accounting period ("AP") a large company by virtue of this regulation where the profits of the company in AP do not exceed £10 million (or such amount as applies by virtue of paragraphs (8) and (10)) and—

(a) during any part of the period ("AP-12") of 12 months immediately preceding AP, the company did not exist or did not have an accounting period; or

(b) in respect of any accounting period which fell within or ended in AP-12 the company was not—

(i) a large company other than by reason of the operation of this paragraph, or

(ii) a very large company.

(6) Paragraph (8) applies where a company has one or more related 51% group companies in an accounting period.

(7) For the purposes of this regulation, the number ("N") of related 51% group companies of a company in an accounting period ("AP") is to be determined—

(a) as the number existing at the end of the accounting period ("AP-1") immediately preceding AP; or

(b) where there is no AP-1 or AP-1 did not end on the day before AP commenced, as the number existing at the commencement of AP.

(8) Where this paragraph applies by virtue of paragraph (6), whether a company is (or is not) a large company or a very large company in respect of an accounting period by virtue of this regulation is to be determined with the following modifications—

(a) in paragraph (1), for "£1.5 million" substitute "£1.5 million/1+N";

(b) in paragraphs (1) and (2), for "£20 million" substitute "£20 million/1+N"; and

(c) in paragraph (5), for "£10 million" substitute "£10 million/1+N,

but the amounts in sub-paragraphs (a), (b) and (c) are subject to the provisions in paragraph (10).

(9) Except where paragraph (4) applies, whether a company is (or is not) a large company or a very large company by virtue of this regulation is to be determined as it would have been determined apart from sections 330(**4**) (supplementary charge in respect of ring fence trades) and 331 (meaning of "financing costs" etc) of CTA 2010.

(10) Where an accounting period is a period of less than 12 months, whether a company is (or is not) a large company or a very large company in respect of that period by virtue of this regulation is to be determined by making a proportionate reduction to the following amounts—

(a) £10,000 in paragraph (4);

(b) £1.5 million in paragraph (1) or £1.5 million/1+N in that paragraph where paragraph (8) applies;

(c) £10 million in paragraph (5) or £10 million/1+N in that paragraph where paragraph (8) applies; and

(d) £20 million in paragraphs (1) and (2) or £20 million/1+N in those paragraphs where paragraph (8) applies.

Large and very large companies: bank levy

3A.—(1) This regulation applies where a company is a relevant entity or a responsible member.

(2) Subject to paragraphs (4) to (7), a company is a very large company by virtue of this regulation in respect of an accounting period if its profits in that period exceed £20 million.

(3) A company which is not a very large company in respect of an accounting period by virtue of paragraph (2) is a large company in respect of that period.

(4) A company is not in respect of an accounting period a very large company by virtue of paragraph (2) if its total liability for the period does not exceed £10,000 (or such amount as applies by virtue of paragraph (7)).

(5) Where in an accounting period a company has one or more related 51% group companies, whether the company is (or is not) a very large company by virtue of this regulation in respect of that period is to be determined by substituting in paragraph (2) "£20 million/1+N" for "£20 million".

(6) The amount of "£20 million/1+N" in paragraph (5) is subject to paragraph (7).

(7) Where an accounting period is a period of less than 12 months, whether a company is (or is not) a very large company in respect of that period by virtue of this regulation is to be determined by making a proportionate reduction to the following amounts—

(a) £20 million in paragraph (2) or £20 million/1+N in that paragraph where paragraph (5) applies; and

(**4**) Amendments have been made to section 330 which are not relevant.

(b) £10,000 in paragraph (4).

(8) For the purposes of this regulation—

(a) "N" has the same meaning as it has for the purposes of regulation 3; and

(b) "total liability" excludes any amount of bank levy payable.".

Payment dates: very large companies

5. After regulation 5 (instalment payments – principal provision) insert—

"**Instalment payments: very large companies: days for payment**

5AZA.—(1) Except in respect of any amount falling within regulation 5AZC or 5A, amounts in respect of the total liability of a very large company for an accounting period are due and payable on the following days.

(2) Where the accounting period is 12 months—

(a) the first instalment is due on the day ("instalment 1 day") which is 2 months and 13 days after the first day of the accounting period;

(b) the second instalment is due on the day ("instalment 2 day") which is 3 months later than instalment 1 day;

(c) the third instalment is due on the day ("instalment 3 day") which is 3 months later than instalment 2 day; and

(d) the final instalment is due on the day ("the final instalment day") which is 3 months later than instalment 3 day.

(3) Where the accounting period is less than 12 months, steps 1 to 5 apply instead of paragraph (2).

(4) Step 1 is to determine if the accounting period ends—

(a) on the last day of the month, in which case find the day which falls 14 days after the last day of the previous month and apply step 2;

(b) other than on the last day of the month and where there is a day with the same date ("an equivalent day") in the previous month, in which case find the day which falls 14 days after the corresponding day in the previous month and apply step 2; or

(c) other than on the last day of the month and where there is not an equivalent day in the previous month, in which case find the day which falls 14 days after the last day in the previous month and apply step 2.

(5) Step 2 is to determine if the day found under step 1 falls on or before the first day of the accounting period and—

(a) if it does, an instalment is due on the last day ("the only instalment day") of the accounting period and no further steps apply; or

(b) if it does not, an instalment is due on the day found under step 1 ("the final instalment day") and apply step 3.

(6) Step 3 is to determine if the day ("D1") which falls 2 months and 13 days after the first day of the accounting period falls on or after the final instalment day and—

(a) if it does, the final instalment day becomes the only instalment day and no further steps apply; or

(b) if it does not, an instalment is due on D1 ("instalment 1 day") and apply step 4.