HMRC - CFM97190 - Infrastructure: Qualifying Infrastructure Company

TIOPA10/S433

For a company to be a qualifying infrastructure company (QIC) it must meet four conditions throughout an accounting period. It must:

meet the public infrastructure income test;

meet the public infrastructure assets test;

be fully taxed in the UK; and

have made a valid election to this exemption, which is in effect.

Effect of being a QIC

If a company is a QIC, certain amounts of interest and other finance costs payable are excluded from its tax-interest expense. In addition, further amounts will be ignored or treated as nil for the purposes of the fixed ratio method and group ratio method.

Transitional rules

Transitional rules provide that a company may be a qualifying infrastructure company for accounting periods beginning before 1 April 2018 despite not having met all four conditions. In such cases, adjustments are made on a just and reasonable basis to the amounts that are excluded.

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