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**Finance Act, 2008**

**Section 7 - Small companies' rates and fractions for financial year 2008 etc**

1) For the financial year 2008 the small companies' rate is- (a) 21% on profits of companies other than ring fence profits, and (b) 19% on ring fence profits of companies. (2) For the financial year 2008 the fraction mentioned in section 13(2) of ICTA is- (a)  $\frac{7}{400}$ ths in relation to profits of companies other than ring fence profits ("the standard fraction"), and (b)  $\frac{11}{400}$ ths in relation to ring fence profits of companies ("the ring fence fraction"). (3) Subsections (3) to (7) of section 3 of FA 2007 (operation of section 13(2) of ICTA in relation to company profits consisting of both ring fence profits and other profits) apply in relation to profits of a company for an accounting period any part of which falls in the financial year 2008, or any subsequent financial year, as in relation to those for an accounting period any part of which falls in the financial year 2007. (4) In this section "ring fence profits" has the same meaning as in Chapter 5 of Part 12 of ICTA (see section 502(1) and (1A)).