
Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2005, Paragraph 7. (See end of Document for details)

SCHEDULES

SCHEDULE 7

AVOIDANCE INVOLVING FINANCIAL ARRANGEMENTS

Consideration due after time of disposal: creditor relationships etc

- 7 (1) Section 48 of TCGA 1992 (consideration due after time of disposal) is amended as follows.
- (2) At the beginning insert “ (1) ”.
- (3) At the end add—
- “(2) Subsection (1) above does not apply in relation to so much of any consideration as consists of rights under a creditor relationship to which a company becomes a party as a result of the disposal.
- (3) In the computation of the gain in a case where subsection (2) above has effect in relation to any consideration, the amount to be brought into account in respect of that consideration is the fair value of the creditor relationship.
- (4) In this section—
- (a) “creditor relationship”, and
- (b) “fair value”, in relation to a creditor relationship,
- each have the same meaning as in Chapter 2 of Part 4 of the Finance Act 1996 (see section 103(1) of that Act).”.

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