



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 4

TRANSFER PRICING

CHAPTER 3

EXEMPTIONS FROM BASIC RULE

167 Small and medium-sized enterprises: exceptions from exemption

- (1) Subsections (2) and (3) set out exceptions to section 166(1).
- (2) The first exception is if the small or medium-sized enterprise elects for section 166(1) not to apply in relation to the chargeable period.

Any such election is irrevocable.

- (3) The second exception is if—
 - (a) the other affected person, or
 - (b) a party to a relevant transaction,is, at the time when the actual provision is or was made or imposed, a resident of a non-qualifying territory (whether or not that person is also a resident of a qualifying territory).
- (4) For the purposes of subsection (3)—
 - (a) a “party to a relevant transaction” is a person who, if the actual provision is or was imposed by means of a series of transactions, is or was a party to one or more of those transactions, and
 - (b) “qualifying territory” and “non-qualifying territory” are defined in section 173.

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 167. (See end of Document for details)

- (5) In subsection (3) “resident”, in relation to a territory—
- (a) means a person who, under the law of that territory, is liable to tax there by reason of the person's domicile, residence or place of management, but
 - (b) does not include a person who is liable to tax in that territory in respect only of income from sources in that territory or capital situated there.

Modifications etc. (not altering text)

- C1** Ss. 166-171 excluded (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **ss. 542(2)**, 1184(1) (with Sch. 2)

Changes to legislation:

There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 167.