Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 4

TRANSFER PRICING

CHAPTER 6

BALANCING PAYMENTS

204 Meaning of "capital market condition" in sections 199 and 201

(1) For the purposes of section 199(6) or 201(6), the capital market condition is met if—

(a) the actual provision forms part of a capital market arrangement,

(b) the capital market arrangement involves the issue of a capital market investment,

(c) the securities that represent the capital market investment are issued wholly or mainly to independent persons, and

(d) the total value of the capital market investments made under the capital market arrangement is at least £50 million.

(2) In this section—

"capital market arrangement" has the same meaning as in section 72B(1) of the Insolvency Act 1986 (see paragraph 1 of Schedule 2A to that Act),

"capital market investment" has the same meaning as in section 72B(1) of the Insolvency Act 1986 (see paragraphs 2 and 3 of Schedule 2A to that Act), and

"independent person" means a person—

(a) who is not the disadvantaged person, and

Changes to legislation: *There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 204. (See end of Document for details)*

(b) who does not have a participatory relationship with either of the affected persons.

(3) In subsection (2) "the disadvantaged person"—

(a) for the purposes of the application of this section in relation to section 199(6) has the meaning given by section 199(4), and

(b) for the purposes of the application of this section in relation to section 201(6) has the meaning given by section 201(4).

(4) For the purposes of subsection (2), a person ("A") who is a company has a "participatory relationship" with one of the affected persons ("B") if—

(a) one of A and B is directly or indirectly participating in the management, control or capital of the other, or

(b) the same person or persons is or are directly or indirectly participating in the management, control or capital of each of A and B.

Changes to legislation:
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