



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 6

TAX ARBITRAGE

Receipt notices

250 The receipt scheme conditions

- (1) This section sets out the receipt scheme conditions.
- (2) Receipt scheme condition A is that a scheme makes or imposes provision as between the company and another person (“the paying party”) by means of a transaction or series of transactions.
- (3) Receipt scheme condition B is that that provision includes the paying party making, by means of a transaction or series of transactions, a payment—
 - (a) which is a qualifying payment in relation to the company, and
 - (b) at least part of which is not an amount to which section 251 (amounts within corporation tax) applies.
- (4) A payment is a qualifying payment in relation to a company for the purposes of this section and sections 251 to 254 if it constitutes a contribution to the capital of the company.
- (5) Receipt scheme condition C is that on entering into the scheme the company and the paying party expected that a benefit would arise because at least part of the qualifying payment was not an amount to which section 251 applies.
- (6) Receipt scheme condition D is that there is an amount in relation to the qualifying payment that—
 - (a) is a deductible amount, and

Status: This is the original version (as it was originally enacted).

- (b) is not set against any scheme income arising to the paying party for income tax purposes or corporation tax purposes.
- (7) In subsection (6)—
- “deductible amount” means an amount that—
 - (a) is available as a deduction for the purposes of the Tax Acts, or
 - (b) may be deducted or otherwise allowed under the tax law of any territory outside the United Kingdom, and
 - “scheme income” means income arising from the transaction or transactions forming part of the scheme.
- (8) Section 253 (exception for dealers) specifies a case where receipt scheme condition D is treated as not met.