

SCHEDULES

SCHEDULE 18

SERIAL TAX AVOIDANCE

PART 7

SUPPLEMENTAL

Time of “use” of defeated arrangements

- 55 (1) With reference to a particular relevant defeat incurred by a person in relation to arrangements, the person is treated as having “used” the arrangements on the dates set out in this paragraph.
- (2) If the person incurs the relevant defeat by virtue of Condition A, the person is treated as having “used” the arrangements on the following dates—
- (a) the filing date of any return made by the person on the basis that the tax advantage mentioned in paragraph 12(1)(a) arises from the arrangements;
 - (b) the date on which the person makes any claim or election on that basis;
 - (c) the date of any relevant failure by the person to comply with an obligation.
- (3) For the purposes of sub-paragraph (2) a failure to comply with an obligation is a “relevant failure” if the whole or part of the tax advantage mentioned in paragraph 12(1)(b) arose as a result of, or in connection with, that failure.
- (4) If the person incurs the relevant defeat by virtue of Condition B, the person is treated as having “used” the arrangements on the following dates—
- (a) the filing date of any return made by the person on the basis that the asserted advantage (see section 204(3) of FA 2014) results from the arrangements,
 - (b) the date on which any claim is made by the person on that basis,
 - (c) the date of any failure by the person to comply with a relevant obligation.
- In this sub-paragraph “relevant obligation” means an obligation which would not have fallen on the person (or might have been expected not to do so), had the denied advantage arisen (see section 208(3) of FA 2014).
- (5) If the person incurs the relevant defeat by virtue of Condition C, the person is treated as having “used” the arrangements on the following dates—
- (a) the filing date of any return made by the person on the basis mentioned in paragraph 14(2)(a);
 - (b) the date on which the person makes any claim or election on that basis;
 - (c) the date of any failure by the person to comply with a relevant obligation (as defined in paragraph 14(4)).

Status: This is the original version (as it was originally enacted).

- (6) If the person incurs the relevant defeat by virtue of Condition D, the person is treated as having “used” the arrangements on the following dates—
- (a) the filing date of any return made by the person on the basis mentioned in paragraph 15(2)(a);
 - (b) the date on which the person makes any claim on that basis;
 - (c) the date of any failure by the person to comply with a relevant obligation (as defined in paragraph 15(4)).
- (7) If the person incurs the relevant defeat by virtue of Condition E, the person is treated as having “used” the arrangements on the following dates—
- (a) the filing date of any return made by S to which the counteraction mentioned in paragraph 16(1)(c) relates;
 - (b) the date on which S made any claim to which that counteraction relates;
 - (c) the date of any relevant failure by S to which that counteraction relates.
- (8) In sub-paragraph (7) “relevant failure” means a failure to comply with an obligation relating to VAT.
- (9) In this paragraph “filing date”, in relation to a return, means the earlier of—
- (a) the day on which the return is delivered, or
 - (b) the last day of the period within which the return must be delivered.
- (10) References in this paragraph to the date on which a person fails to comply with an obligation are to the date on which the person is first in breach of the obligation.