



Finance Act 2018

2018 CHAPTER 3

PART 1

DIRECT TAXES

Double taxation relief

31 Countering effect of avoidance arrangements

- (1) TIOPA 2010 is amended as follows.
- (2) For section 81 (giving a counteraction notice) substitute—

“81 Countering effect of avoidance arrangements

- (1) This section applies if each of conditions A to D of section 82 is met in relation to a person.
 - (2) The effects of a scheme or arrangement that are referable to the purpose referred to in condition B of that section are to be counteracted by the making of such adjustments as are necessary.
 - (3) Any adjustments required to be made by this section (whether or not by an officer of Revenue and Customs) may be made by way of—
 - (a) an assessment,
 - (b) the modification of an assessment, or
 - (c) amendment or disallowance of a claim,or otherwise.”
- (3) In section 87 (section 83(2) and (4): schemes that would reduce a person’s tax liability)
- (a) in subsection (1), after “person” insert “ (“P”) ”,

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2018, Section 31. (See end of Document for details)

- (b) in subsection (3), for “the amount of UK tax payable by the person” substitute “ the total amount of UK tax payable by P and such persons (if any) as are connected with P ”,
 - (c) in subsection (4), for “the amount of UK tax that would be payable by the person” substitute “ the total amount of UK tax that would be payable by P and such persons (if any) as are connected with P ”, and
 - (d) at the end insert—
 - “(7) For the purposes of this section, whether a person is connected with P is determined in accordance with section 1122 of CTA 2010.”
- (4) Omit sections 89 to 95 (counteraction notices).
- (5) In section 371SR (double taxation relief: counteraction notices)—
- (a) in subsection (1), for “giving of counteraction notice” substitute “ countering effect of avoidance arrangements ”, and
 - (b) in the heading, for “counteraction notices” substitute “ countering effect of avoidance arrangements ”.
- (6) The amendments made by subsections (2), (4) and (5) have effect in relation to any return under TMA 1970 or Schedule 18 to FA 1998 where the date by which the return is required to be made is after 31 March 2018.
- (7) The amendments made by subsection (3) have effect in relation to a credit for foreign tax which relates to a payment of foreign tax on or after 22 November 2017.

Changes to legislation:

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