
Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2017, Cross Heading: Counteracting effect of avoidance arrangements. (See end of Document for details)

SCHEDULES

SCHEDULE 5

CORPORATE INTEREST RESTRICTION

PART 4

COMMENCEMENT AND TRANSITIONAL PROVISION

Counteracting effect of avoidance arrangements

- 34 (1) This paragraph applies in relation to section 461 of TIOPA 2010.
- (2) Section 461 applies in relation to arrangements whenever entered into.
- (3) Arrangements are not “relevant avoidance arrangements” for the purposes of section 461 so far as—
- (a) they secure that an amount paid before 1 April 2017 is brought into account in an accounting period ending before that date, and
 - (b) directly in consequence of the amount being brought into account as mentioned in paragraph (a), there is a reduction in the tax-interest expense amounts that could otherwise have been left out of account under Part 10 of TIOPA 2010.
- (4) If an accounting period begins before 1 April 2017 and ends on or after that date, sub-paragraph (3) is to have effect as if so much of the accounting period as falls before that date, and so much of that period as falls on or after that date, were treated as separate accounting periods.
- (5) Arrangements are not “relevant avoidance arrangements” for the purposes of section 461 if the obtaining of any tax advantages that would otherwise arise from them can reasonably be regarded as arising wholly from commercial restructuring arrangements entered into in connection with the commencement of Part 10 of TIOPA 2010.
- (6) For this purpose “commercial restructuring arrangements” means—
- (a) arrangements that, but for that Part, would have resulted in significantly more corporation tax becoming payable as a result of one or more loan relationships being brought within the charge to corporation tax, or
 - (b) arrangements that—
 - (i) are designed to secure, in a way that is wholly consistent with its policy objectives, the benefit of a relief expressly conferred by a provision of that Part, and
 - (ii) are effected by taking only ordinary commercial steps in accordance with a generally prevailing commercial practice.
- (7) This paragraph is to be read as if it formed part of section 461.

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