

Changes to legislation: Income and Corporation Taxes Act 1988, Paragraph 15E is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 25

[^{F1}CASES WHERE SECTION 747(3) DOES NOT APPLY]

Textual Amendments

- F1** Sch. 25 heading substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 25; S.I. 1998/3173, art. 2

[^{F1}PART 3A

EXEMPT PERIODS

Textual Amendments

- F1** Sch. 25 Pt. 3A (paras. 15A-15G) inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), Sch. 12 para. 8

Disqualifying relevant transactions

- 15E (1) This paragraph applies for the purposes of paragraph 15C and 15D.
- (2) A disqualifying relevant transaction occurs if—
- (a) a relevant transaction occurs at the relevant time (whether or not the transaction occurs pursuant to an agreement entered into by X before that time), or
 - (b) a relevant transaction occurs on or after 9 December 2010 but before the relevant time and that transaction forms part of an avoidance scheme.
- (3) “Relevant transaction” means—
- (a) the making by X of a loan or advance of an amount (other than a negligible amount) to a person who, at the time it is made, is related to X and subject to United Kingdom tax,
 - (b) an increase (other than an increase of a negligible amount) in the amount of an existing loan or advance made by X to a person who, at the time of the increase, is related to X and subject to United Kingdom tax,
 - (c) a change in the terms or conditions of an existing loan or advance made by X where—
 - (i) the loan or advance is to a person who, at the time the change is made, is related to X and subject to United Kingdom tax, and
 - (ii) the change has an effect (other than a negligible effect) on the amount of interest payable, or

Changes to legislation: *Income and Corporation Taxes Act 1988, Paragraph 15E is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (d) a transaction to which sub-paragraph (4) applies.
- (4) This sub-paragraph applies to a transaction if—
- (a) it is referable to an activity carried on by X as part, or the whole, of any non-exempt activities carried on by X,
 - (b) the results of the transaction are reflected in the profits arising in an accounting period of X and are not negligible in value, and
 - (c) the results of the transaction alone, or together with the results of one or more other transactions, achieves a reduction in United Kingdom tax.
- (5) A transaction achieves, or two or more transactions together achieve, a reduction in United Kingdom tax if, had the transaction or transactions not been effected, any person—
- (a) would have been liable for any such tax or for a greater amount of any such tax, or
 - (b) would not have been entitled to a relief from or repayment of any such tax or would have been entitled to a smaller relief from or repayment of any such tax.
- (6) In this paragraph—
- “avoidance scheme” means a scheme the main purpose, or one of the main purposes, of any party to which in entering into the scheme is to secure that section 748(1)(f) prevents an apportionment falling to be made under section 747(3) as regards an accounting period, or accounting periods, of X;
 - “non-exempt activities” has the meaning given by paragraph 12D(2);
 - “scheme” means any scheme, arrangements or understanding of any kind whatever, whether or not legally enforceable, involving one or more transactions;
 - “United Kingdom tax” means corporation tax (or any tax chargeable as if it were corporation tax) or income tax.]

Changes to legislation:

Income and Corporation Taxes Act 1988, Paragraph 15E is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act Tax Acts: power to modify conferred by [2004 c. 25 s. 18](#)
- Act Taxes Acts modified by 1970 c. 9, Sch. A1 para. 10(7) (as inserted) by [2017 c. 32 s. 60\(3\)](#)
- Act Taxes Acts modified by 1970 c. 9, s. 8(7) (as inserted) by [2017 c. 32 Sch. 14 para. 3\(15\)](#)
- Act Taxes Acts modified by 1970 c. 9, s. 8A(7) (as inserted) by [2017 c. 32 Sch. 14 para. 4\(12\)](#)
- Act applied (with modifications) by [S.I. 2010/875 reg. 16Sch. 2](#) (This amendment not applied to [legislation.gov.uk](#). S.I. 2010/875 was revoked (27.8.2010) by SI 2010/1906, reg. 2 without having come into force)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 109A(4B) inserted by [2005 c. 7 Sch. 4 para. 6\(3\)](#) (This amendment not applied to [legislation.gov.uk](#). The amending provision (2005 c. 7, Sch. 4 para. 6) repealed retrospectively by 2005 c. 22, Sch. 6 para. 4(1)(6))
- Sch. 19AB para. 5(5)(a)(b) words substituted by [S.I. 2001/3629 art. 52\(2\)\(n\)](#) (This amendment not applied to [legislation.gov.uk](#). The words to be substituted do not occur in Sch. 19AB para. 5)