

---

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1995, Cross Heading:  
Increase of trade etc. profits or gains arising in transitional overlap period. (See end of Document for details)

---

## SCHEDULES

### SCHEDULE 22

#### PREVENTION OF EXPLOITATION OF <sup>F1</sup>SCHEDULE 2 TO ITTOIA 2005 (SO FAR AS RELATING TO OVERLAP PROFIT) ]

##### Textual Amendments

- F1** Words in Sch. 22 heading substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005](#) (c. 5), s. 883(1), [Sch. 1 para. 484\(12\)](#) (with [Sch. 2](#))

### PART II

#### CASES III, IV AND V OF SCHEDULE D

##### *Increase of trade etc. profits or gains arising in transitional overlap period*

- 7 (1) This paragraph applies where, in the case of any income derived by any person from the carrying on by him of a trade, profession or vocation—
- (a) <sup>F1</sup>paragraph 53 of Schedule 2 to ITTOIA 2005] applies; and
  - (b) any amount which is included in the transitional overlap profit would not have been so included if—
    - (i) any relevant change made by that person had not been made; or
    - (ii) any relevant transaction entered into by that person had not been entered into.
- (2) Subject to sub-paragraph (3) below, <sup>F2</sup>paragraph 53 of that Schedule] shall have effect as if the reference to the transitional overlap profit were a reference to the amount (if any) by which that profit exceeds 1.25 times the aggregate of the amounts falling within sub-paragraph (1)(b) above.
- (3) Sub-paragraph (3) of paragraph 1 above shall apply for the purposes of this paragraph as it applies for the purposes of that paragraph but subject to the following modifications, namely—
- (a) the reference to the aggregate of the amounts mentioned in the said paragraph 2(2) shall have effect as a reference to the transitional overlap profit; and
  - (b) the reference to the appropriate percentage of the turnover for the transitional period shall have effect as a reference to the appropriate percentage of the turnover for the transitional overlap period.
- (4) In this paragraph—
- “the appropriate percentage” means the following expressed as a percentage, that is, 365 divided by the number of days in the transitional overlap period;

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1995, Cross Heading: Increase of trade etc. profits or gains arising in transitional overlap period. (See end of Document for details)

“the transitional overlap period” means the period beginning immediately after the end of—

- (a) the basis period for the year 1996-97 [<sup>F3</sup>(determined in accordance with paragraph 1 of Schedule 20 to the Finance Act 1994 despite the repeal by ITTOIA 2005 of that paragraph)]; or
- (b) in the case of any income derived by any person from the carrying on by him of a trade or profession in partnership with other persons, the basis period of the partnership for that year [<sup>F3</sup>(as so determined)],

and (in either case) ending with 5th April 1997;

“the transitional overlap profit” means the amount mentioned in [<sup>F4</sup>paragraph 53(3) of Schedule 2 to ITTOIA 2005].

#### Textual Amendments

- F1** Words in Sch. 22 para. 7(1) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 484\(7\)\(a\)](#) (with Sch. 2)
- F2** Words in Sch. 22 para. 7(2) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 484\(7\)\(b\)](#) (with Sch. 2)
- F3** Words in Sch. 22 para. 7(4) inserted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 484\(7\)\(c\)](#) (with Sch. 2)
- F4** Words in Sch. 22 para. 7(4) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 484\(7\)\(d\)](#) (with Sch. 2)

<sup>F5g</sup> .....

#### Textual Amendments

- F5** Sch. 22 paras. 8-10 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 484\(8\), Sch. 3](#) (with Sch. 2)

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1995, Cross Heading:  
Increase of trade etc. profits or gains arising in transitional overlap period.