



Corporation Tax Act 2010

2010 CHAPTER 4

[^{F1}PART 8ZB

TRANSACTIONS IN UK LAND

[^{F1}Anti-fragmentation

Textual Amendments

- F1** Pt. 8ZB inserted (with effect in accordance with s. 81 of the amending Act and also with effect in accordance with [Finance \(No. 2\) Act 2017 \(c. 32\)](#), s. 39(1)(2))) by [Finance Act 2016 \(c. 24\)](#), s. 77(1)

356OH Fragmented activities

- (1) Subsection (3) applies if—
 - (a) a company (“C”) disposes of any land in the United Kingdom,
 - (b) any of conditions A to D in section 356OB is met in relation to the land, and
 - (c) a person (“R”) who is associated with C at a relevant time has made a relevant contribution to activities falling within subsection (2).
- (2) The following activities fall within this subsection—
 - (a) the development of the land,
 - (b) any other activities directed towards realising a profit or gain from the disposal of the land.
- (3) For the purposes of this Part, the profit or gain (if any) realised by C from the disposal is to be taken to be what that profit or gain would be if R were not a distinct person from C (and, accordingly, as if everything done by or in relation to R had been done by or in relation to C).
- (4) Subsection (5) applies to any amount which is paid (directly or indirectly) by R to C for the purposes of meeting or reimbursing the cost of corporation tax which C is liable to pay as a result of the application of subsection (3) in relation to R and C.

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Anti-fragmentation. (See end of Document for details)

- (5) The amount—
- (a) is not to be taken into account in calculating profits or losses of either R or C for the purposes of income tax or corporation tax, and
 - (b) is not for any purpose of the Corporation Tax Acts to be regarded as a distribution.
- (6) In subsection (1) “relevant time” means any time in the period beginning when the activities of the project begin and ending 6 months after the disposal.
- (7) For the purposes of this section any contribution made by R to activities falling within subsection (2) is a “relevant contribution” unless the profit made or to be made by R in respect of the contribution is insignificant having regard to the size of the project.
- (8) In this section “contribution” means any kind of contribution, including, for example—
- (a) the provision of professional or other services, or
 - (b) a financial contribution (including the assumption of a risk).
- (9) For the purposes of this section R is “associated” with C if—
- (a) R is connected with C by virtue of any of subsections (5) to (7) of section 1122 (read in accordance with section 1123), or
 - (b) R is related to C (see section 356OT).
- (10) In this section “the project” means all activities carried out for any of the following purposes—
- (a) the purposes of dealing in or developing the land, and
 - (b) any other purposes mentioned in Conditions A to D in section 356OB.]

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross
Heading: Anti-fragmentation.