



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 4

TRANSFER PRICING

CHAPTER 1

BASIC TRANSFER-PRICING RULE

148 The “participation condition”

- (1) For the purposes of section 147(1)(b), the participation condition is met if—
 - (a) condition A is met in relation to the actual provision so far as the actual provision is provision relating to financing arrangements, and
 - (b) condition B is met in relation to the actual provision so far as the actual provision is not provision relating to financing arrangements.
- (2) Condition A is that, at the time of the making or imposition of the actual provision or within the period of six months beginning with the day on which the actual provision was made or imposed—
 - (a) one of the affected persons was directly or indirectly participating in the management, control or capital of the other, or
 - (b) the same person or persons was or were directly or indirectly participating in the management, control or capital of each of the affected persons.
- (3) Condition B is that, at the time of the making or imposition of the actual provision—
 - (a) one of the affected persons was directly or indirectly participating in the management, control or capital of the other, or
 - (b) the same person or persons was or were directly or indirectly participating in the management, control or capital of each of the affected persons.

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 148. (See end of Document for details)

- (4) In this section “financing arrangements” means arrangements made for providing or guaranteeing, or otherwise in connection with, any debt, capital or other form of finance.
- (5) For the interpretation of subsections (2) and (3) see sections 157 to 163.

Modifications etc. (not altering text)

- C1** S. 148 applied by 2009 c. 4, s. 161(3A) (as inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 124\(6\)](#) (with [Sch. 9 paras. 1-9, 22](#)))
- C2** S. 148 applied by 2005 c. 5, s. 172F(2B) (as inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 121\(6\)](#) (with [Sch. 9 paras. 1-9, 22](#)))
- C3** S. 148 applied by 2009 c. 4, s. 445(3A) (as inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 133\(8\)](#) (with [Sch. 9 paras. 1-9, 22](#)))
- C4** S. 148 applied by 2009 c. 4, s. 846(2A) (as inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 147\(6\)](#) (with [Sch. 9 paras. 1-9, 22](#)))
- C5** S. 148 applied (with modifications) by 2007 c. 3, s. 917A(6) (as inserted (with effect in accordance with s. 41(2) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 41\(1\)](#))
- C6** S. 148 applied by 2010 c. 8, s. 882(5D) (as inserted (with effect in accordance with s. 52(5) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 52\(2\)](#))
- C7** S. 148 applied by 2009 c. 4, s. 845(4C) (as inserted (with effect in accordance with s. 53(2) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 53\(1\)](#))
- C8** [S. 148](#) applied by 2009 c. 4, s. 849AB(9) (as inserted (with application in accordance with s. 21(3) of the amending Act) by [Finance Act 2018 \(c. 3\), s. 21\(2\)](#))
- C9** [S. 148](#) applied by 2009 c. 4, s. 879E(7) (as inserted (with effect in accordance with [Sch. 9 para. 7](#) of the amending Act) by [Finance Act 2019 \(c. 1\), Sch. 9 para. 6](#))
- C10** [S. 148](#) applied by 2009 c. 4, s. 90H(4) (as inserted (with effect in accordance with s. 31(14)(15) of the amending Act) by [Finance Act 2020 \(c. 14\), s. 31\(13\)](#))

Changes to legislation:

There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 148.