



# Taxation (International and Other Provisions) Act 2010

## 2010 CHAPTER 8

### PART 4

#### TRANSFER PRICING

### CHAPTER 6

#### BALANCING PAYMENTS

#### **199 Pre-conditions for making election under section 200**

- (1) Conditions A to E are the pre-conditions for the purposes of section 200.
- (2) Condition A is that both of the affected persons are companies.
- (3) Condition B is that only one of the affected persons (“the advantaged person”) is a person on whom a potential advantage in relation to United Kingdom taxation is conferred by the actual provision.
- (4) Condition C is that the other affected person (“the disadvantaged person”) is within the charge to income tax or corporation tax in respect of profits arising from the relevant activities (see section 216).
- (5) Condition D is that the actual provision is provision in relation to a security (the “relevant security”).
- (6) Condition E is that the capital market condition is met (see section 204).
- (7) In subsections (5) and (8)(a) “security” includes securities not creating or evidencing a charge on assets.
- (8) For the purposes of subsection (5), any—

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*Status: This is the original version (as it was originally enacted).*

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- (a) interest payable by a company on money advanced without the issue of a security for the advance, or
  - (b) other consideration given by a company for the use of money so advanced,
- is to be treated as if payable or given in respect of a security issued for the advance by the company, and the reference in subsection (5) to a security is to be read accordingly.