

**Changes to legislation:** There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2016. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

## SCHEDULES

### SCHEDULE 18 **U.K.**

#### SERIAL TAX AVOIDANCE

##### **Modifications etc. (not altering text)**

- C1** Sch. 18 modified (17.12.2020 for specified purposes, 31.12.2020 in so far as not already in force) by 1994 c. 23, Sch. 9ZA para. 79 (as inserted by [Taxation \(Post-transition Period\) Act 2020 \(c. 26\)](#), s. 11(1) (e), [Sch. 2 para. 2](#) (with s. 3(4), [Sch. 2 para. 7\(7\)-\(10\)](#)); S.I. 2020/1642, reg. 9)

### **PART 6** **U.K.**

#### CORPORATE GROUPS, ASSOCIATED PERSONS AND PARTNERSHIPS

##### *Corporate groups*

- 46 (1) Sub-paragraphs (2) and (3) apply if HMRC has a duty under paragraph 2 to give a warning notice to a company (“C”) which is a member of a group.
- (2) That duty has effect as a duty to give a warning notice to each current group member (see sub-paragraph (8)).
- (3) Any warning notice which has been given (or is treated as having been given) previously to any current group member is treated as having been given to each current group member (and any provision in this Schedule which refers to a “warning period” in relation to a person is to be interpreted accordingly).
- (4) In relation to a company which incurs a relevant defeat, paragraph 19(1) (duty to give relief restriction notice) does not have effect unless the warning period mentioned in that sub-paragraph would be a warning period in relation to the company regardless of sub-paragraph (3).
- (5) A company which incurs a relevant defeat is not liable to pay a penalty under paragraph 30 unless the warning period mentioned in sub-paragraph (1) of that paragraph would be a warning period in relation to the company regardless of sub-paragraph (3).
- (6) HMRC may discharge any duty to give a warning notice to a current group member in accordance with sub-paragraph (2) by delivering the notice to C (and if it does so may combine one or more warning notices in a single notice).
- (7) If a company ceases to be a member of a group, and—
- immediately before it ceases to be a member of the group, a warning period has effect in relation to the company, but
  - no warning period would have effect in relation to the company at that time but for sub-paragraph (2) or (3),

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that warning period ceases to have effect in relation to the company when it ceases to be a member of that group.

- (8) In this paragraph “current group member” means a company which is a member of the group concerned at the time when the warning notice mentioned in subparagraph (1) is given.
- (9) For the purposes of this paragraph two companies are members of the same group of companies if—
- (a) one is a 75% subsidiary of the other, or
  - (b) both are 75% subsidiaries of a third company.
- (10) In this paragraph “75% subsidiary” has the meaning given by section 1154 of CTA 2010.
- (11) In this paragraph “company” has the same meaning as in the Corporation Tax Acts (see section 1121 of CTA 2010).

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

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

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)