



Finance Act 2016

2016 CHAPTER 24

PART 3

INCOME TAX AND CORPORATION TAX

Transactions in UK land

81 Commencement and transitional provision: sections 76, 77 and 80

- (1) The amendments made by sections 76, 77 and 80 have effect in relation to disposals on or after 5 July 2016.
- (2) In subsection (1) of section 5A of CTA 2009 (tax avoidance in relation to section 5(2A) of that Act) “arrangement” does not include an arrangement (as defined in section 5A(6) of that Act) entered into before 16 March 2016.
- (3) In subsection (1) of section 356OK of CTA 2010 (tax avoidance in relation to Part 8ZB of CTA 2010) “arrangement” does not include an arrangement (as defined in section 356OP of that Act) entered into before 16 March 2016.
- (4) Subsection (6) applies if—
 - (a) a person disposes of a relevant asset to a person who is associated with that person at the relevant time,
 - (b) the disposal is made on or after 16 March 2016 and before 5 July 2016, and
 - (c) a company obtains a relevant tax advantage as a result of the disposal.
- (5) In subsection (4) the reference to obtaining a relevant tax advantage includes obtaining a relevant tax advantage by virtue of any provisions of double taxation arrangements, but only in a case where the relevant tax advantage is contrary to the object and purpose of the provisions of the double taxation arrangements (and subsection (6) has effect accordingly, regardless of anything in section 6(1) of TIOPA 2010).
- (6) The tax advantage is to be counteracted by means of adjustments.

Changes to legislation: Finance Act 2016, Section 81 is up to date with all changes known to be in force on or before 26 June 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (7) Adjustments for the purposes of subsection (6) may be made (whether by an officer of Revenue and Customs or by the company) by way of an assessment, the modification of an assessment, amendment or disallowance of a claim, or otherwise.
- (8) In subsection (4)(c) “relevant tax advantage” means a tax advantage in relation to tax to which the company in question is charged or chargeable (or would, if the tax advantage were not obtained, be charged or chargeable)—
 - (a) by virtue of section 5(2A) of CTA 2009, or
 - (b) in respect of amounts treated as profits of a trade by virtue of Part 8ZB of CTA 2010.
- (9) For the purposes of this section, where any property is disposed of under a contract, the time at which the disposal is made is the time the contract is made (and not, if different, the time at which the property is conveyed or transferred).
- (10) In subsection (9) “contract” includes a conditional contract.
- (11) In this section—
 - “arrangement” includes any scheme, agreement or understanding (whether or not legally enforceable);
 - “disposal” is to be interpreted in accordance with section 356OQ of CTA 2010;
 - “relevant asset” means land, or property deriving the whole or part of its value from land;
 - “tax advantage” has the meaning given by section 1139 of CTA 2010.
- (12) For the purposes of this section a person (“A”) is “associated” with another person (“B”) if—
 - (a) A is connected with B by virtue of any of subsections (5) to (7) of section 1122 of CTA 2010 (read in accordance with section 1123 of that Act), or
 - (b) A is related to B.
- (13) In subsection (12) “related to” is to be interpreted in accordance with section 356OT of CTA 2010.
- (14) In subsection (4) “the relevant time”—
 - (a) in a case within subsection (8)(a), means the time of the disposal mentioned in subsection (4)(a).
 - (b) in a case within subsection (8)(b), means any time in the period beginning when the activities of the project began and ending 6 months after the disposal mentioned in section 356OB(1) or 356OD(1) of CTA 2010.
- (15) In subsection (14) “the project” means (as the case requires) the project described in section 356OB(9) of CTA 2010 or the activities mentioned in section 356OD(2)(a) of that Act.

Changes to legislation:

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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\(3\)](#)