
STATUTORY INSTRUMENTS

2000 No. 2303

The Tonnage Tax Regulations 2000

Transactions not at arm's length between a partnership (where a corporate partner is a tonnage tax company) and another partner

13.—(1) Where a corporate partner which is a tonnage tax company (“the relevant company”) carries on tonnage tax activities in partnership, paragraph 58 of Schedule 22 shall apply to provision made or imposed as between—

- (a) the partnership, and
- (b) another partner,

if the condition in paragraph (2) is satisfied, and in that event on the assumptions in paragraph (3).

(2) The condition is that the relevant company (in addition to the partner referred to in paragraph (1)(b)) is a major participant in the partnership's enterprise, within the meaning of that expression in paragraph 4(7) of Schedule 28AA(1).

(3) The assumptions are that the partnership—

- (a) is a tonnage tax company, and
- (b) is regarded for the purposes of paragraph 58(1)(a) of Schedule 22 as carrying on the tonnage tax trade of the relevant company, so far as that trade consists of activities carried on by the relevant company in the partnership in question.