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**Changes to legislation:** There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Cross Heading: Corporation Tax Act 2009 (c. 4). (See end of Document for details)

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## SCHEDULES

### SCHEDULE 8

#### MINOR AND CONSEQUENTIAL AMENDMENTS

#### PART 2

##### TRANSFER PRICING AND ADVANCE PRICING AGREEMENTS

###### *Corporation Tax Act 2009 (c. 4)*

- 123 CTA 2009 is amended as follows.
- 124 (1) Amend section 161 (transfer pricing rules take precedence over rules about disposals and acquisitions of trading stock not made in course of the trade concerned) as follows.
- (2) In subsection (1)(a) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- (3) In subsection (1)(b) for “that Schedule” substitute “ that Part ”.
- (4) For subsection (2) substitute—
- “(2) For the purposes of subsection (1)(b), the relevant consideration falls within Part 4 of TIOPA 2010 without falling to be adjusted under that Part if—
- (a) the condition in section 147(1)(a) of TIOPA 2010 is met, and
- (b) the participation condition is met (see subsection (3A)), but
- (c) either—
- (i) one of the conditions in section 147(1)(c) and (d) of TIOPA 2010 is not met, or
- (ii) one of the exceptions mentioned in subsection (3) applies.”
- (5) In subsection (3) for paragraphs (c) and (d) substitute—
- “(c) section 213 of TIOPA 2010 (saving for provisions relating to capital allowances), and
- (d) section 214 of TIOPA 2010 (saving for provisions relating to chargeable gains).”
- (6) After subsection (3) insert—
- “(3A) Section 148 of TIOPA 2010 (when the participation condition is met) applies for the purposes of subsection (2)(b) as it applies for the purposes of section 147(1)(b) of TIOPA 2010.”
- 125 In section 162(2) (trading stock not to be valued if paragraph 1(2) of Schedule 28AA to ICTA has effect) for “paragraph 1(2) of Schedule 28AA to ICTA” substitute “ section 147(3) or (5) of TIOPA 2010 ”.

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- 126 In section 340(7) (Schedule 28AA to ICTA does not apply to amounts accounted for under the section) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- 127 In section 374(3)(a) (meaning of non-qualifying territory) for “paragraph 5E of Schedule 28AA to ICTA” substitute “ section 173 of TIOPA 2010 ”.
- 128 (1) Amend section 376(5) (interpretation of section 375) as follows.
- (2) In the definition of “non-qualifying territory” for “paragraph 5E of Schedule 28AA to ICTA” substitute “ section 173 of TIOPA 2010 ”.
- (3) In the definition of “small or medium-sized enterprise” for “paragraph 5D of that Schedule” substitute “ section 172 of TIOPA 2010 ”.
- 129 In section 377(3)(a) (meaning of non-qualifying territory) for “paragraph 5E of Schedule 28AA to ICTA” substitute “ section 173 of TIOPA 2010 ”.
- 130 In section 407(6)(a) (meaning of non-qualifying territory) for “paragraph 5E of Schedule 28AA to ICTA” substitute “ section 173 of TIOPA 2010 ”.
- 131 (1) Amend section 410(5) (interpretation of section) as follows.
- (2) In the definition of “non-qualifying territory” for “paragraph 5E of Schedule 28AA to ICTA” substitute “ section 173 of TIOPA 2010 ”.
- (3) In the definition of “small or medium-sized enterprise” for “paragraph 5D of that Schedule” substitute “ section 172 of TIOPA 2010 ”.
- 132 In section 444(3) (section is subject to section 445) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- 133 (1) Amend section 445 (disapplication of section 444 where Schedule 28AA to ICTA applies) as follows.
- (2) In subsection (1) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- (3) In each of paragraphs (a) and (b) of that subsection for “that Schedule” substitute “ that Part ”.
- (4) In subsection (2)(a) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- (5) In subsection (2)(b) for “that Schedule” substitute “ that Part ”.
- (6) In subsection (3) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- (7) For subsection (3)(a) substitute—
- “(a) the condition in section 147(1)(a) of TIOPA 2010 is met,  
 (aa) the participation condition is met (see subsection (3A)), and”.
- (8) After subsection (3) insert—
- “(3A) Section 148 of TIOPA 2010 (when the participation condition is met) applies for the purposes of subsection (3)(aa) as it applies for the purposes of section 147(1)(b) of TIOPA 2010.”
- (9) In subsection (4) for “Schedule 28AA to ICTA,” substitute “ Part 4 of TIOPA 2010, ”.
- (10) In subsection (5) for “Schedule 28AA to ICTA (see paragraph 1 of that Schedule)” substitute “ Part 4 of TIOPA 2010 (see sections 149 and 151 of that Act) ”.

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- (11) In the title for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- 134 (1) Amend section 446 (bringing into account adjustments made under Schedule 28AA to ICTA) as follows.
- (2) In each of subsections (1), (2), (4) and (6), and in the title, for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- 135 (1) Amend section 447 (exchange gains and losses on debtor relationships: loans disregarded under Schedule 28AA to ICTA) as follows.
- (2) In subsection (1)(c) for “paragraph 1 of Schedule 28AA to ICTA” substitute “ section 147(3) or (5) of TIOPA 2010 ”.
- (3) In subsection (5) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- (4) In subsection (7) for “Schedule 28AA to ICTA (see paragraph 1 of that Schedule)” substitute “ Part 4 of TIOPA 2010 (see sections 149 and 151 of that Act) ”.
- (5) In the title for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- 136 In section 452(1)(a) and (3)(a) (exchange gains and losses where loan not on arm's length terms) for “paragraph 6D(2) of Schedule 28AA to ICTA” substitute “ section 192(1) of TIOPA 2010 ”.
- 137 In section 455(5) (section does not apply if paragraph 1(2) of Schedule 28AA to ICTA has effect) for “paragraph 1(2) of Schedule 28AA to ICTA” substitute “ section 147(3) or (5) of TIOPA 2010 ”.
- 138 In section 464(3)(a) (which refers to and describes section 445(2)) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- 139 In section 484(1) (non-lending relationships treated as loan relationships: meaning of “interest”) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- 140 In section 508(2) (arrangements which are not alternative finance arrangements)—
- (a) in paragraph (b) for “paragraph 1(2) of Schedule 28AA to ICTA” substitute “ subsection (3) or (5) of section 147 of TIOPA 2010 ”,
- (b) in that paragraph for “in paragraph 1(2)(a) of that Schedule” substitute “ in that subsection ”, and
- (c) in paragraph (c) for “that Schedule” substitute “ Part 4 of TIOPA 2010 ”.
- 141 In section 625(7) (Schedule 28AA to ICTA does not apply to amounts if credits or debits in respect of those amounts are determined under the section), for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- 142 (1) Amend section 693 (bringing into account adjustments under Schedule 28AA to ICTA) as follows.
- (2) In subsections (1), (2) and (4), and the title, for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- 143 (1) Amend section 694 (exchange gains and losses where derivative contracts not on arm's length terms) as follows.
- (2) In subsections (2), (4) and (8) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.

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- (3) In subsection (10) for “Schedule 28AA to ICTA (see paragraph 1 of that Schedule)” substitute “ Part 4 of TIOPA 2010 (see sections 149 and 151 of that Act) ”.
- 144 In section 698(5) (section does not apply if paragraph 1(2) of Schedule 28AA to ICTA increases company's tax liability) for “paragraph 1(2) of Schedule 28AA to ICTA” substitute “ section 147(3) or (5) of TIOPA 2010 ”.
- 145 (1) In the provisions mentioned in sub-paragraph (2) (provisions which relate to intangible fixed assets and refer to matters being subject to adjustments under Schedule 28AA to ICTA) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- (2) The provisions are—
- section 721(3),
  - section 728(3),
  - section 729(4),
  - section 731(5),
  - section 736(7),
  - section 739(2),
  - section 740(4),
  - section 742(3), and
  - section 743(3).
- 146 In section 775(3) (intangible fixed assets: transfers within a group) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- 147 (1) Amend section 846 (intangible fixed assets: transfers not at arm's length) as follows.
- (2) In subsection (1)(a) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.
- (3) In subsection (1)(b) for “that Schedule” substitute “ that Part ”.
- (4) In subsection (2) for “within that Schedule” substitute “ within that Part ”.
- (5) For subsection (2)(a) substitute—
- “(a) the condition in section 147(1)(a) of TIOPA 2010 is met,
  - (aa) the participation condition is met (see subsection (2A)), and”.
- (6) After subsection (2) insert—
- “(2A) Section 148 of TIOPA 2010 (when the participation condition is met) applies for the purposes of subsection (2)(aa) as it applies for the purposes of section 147(1)(b) of TIOPA 2010.”
- (7) In subsection (3) for the words after “meaning” substitute “ as in that Part (see, respectively, sections 149 and 151 of TIOPA 2010) ”.
- 148 In section 931P(4) (section does not apply if Schedule 28AA to ICTA applies) for “Schedule 28AA to ICTA” substitute “ Part 4 of TIOPA 2010 ”.

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