

SCHEDULES

SCHEDULE 13

EMPLOYER ASSET-BACKED PENSION CONTRIBUTIONS ETC

PART 4

TRANSITIONAL PROVISION RELATING TO PART 3

Certain tax consequences not to have effect

- 25 (1) This paragraph applies if—
- (a) the section which would have applied as mentioned in paragraph 18(1)(d) above is section 196F of FA 2004, and
 - (b) any relevant change in relation to the partnership would have the relevant effect (ignoring this paragraph).
- (2) The relevant effect is that—
- (a) an amount of income on which a relevant member would otherwise have been charged to tax is not so charged,
 - (b) an amount which would otherwise have been brought into account in calculating for tax purposes any income of a relevant member is not so brought into account, or
 - (c) a relevant member becomes entitled to deduct an amount—
 - (i) in calculating income for tax purposes, or
 - (ii) from total income or total profits (as the case may be).
- (3) A relevant member is a person who—
- (a) was a member of the partnership immediately before the relevant change in relation to it occurred, and
 - (b) is not the lender.
- (4) In sub-paragraph (2) “amount” means an amount which arises on or after 22 February 2012 but on or before the completion day.
- (5) If this paragraph applies—
- (a) Part 9 of ITTOIA 2005 or sections 1259 to 1265 of CTA 2009 (as the case may be) is or are to have effect in relation to any relevant member as if the relevant change in relation to the partnership had not occurred, and
 - (b) accordingly, the asset-backed arrangement is not to have the relevant effect.
- (6) In deciding whether sub-paragraph (1)(b) is met assume that amounts of income equal to the payments mentioned in section 196F(2)(e) of FA 2004 were payable to the partnership before the relevant change in relation to it occurred.