

SCHEDULES

SCHEDULE 17

PART 2: TRANSITIONAL PROVISION

PART 1

DEEMED RECEIPTS OR EXPENSES

Anti-avoidance

- 17 (1) This paragraph applies if—
- (a) on or after 21 March 2012 an insurance company (“C”) enters into any arrangements or does any other thing directly or indirectly for the purposes of, or in connection with, the operation of the transitional rules, and
 - (b) the main purpose, or one of the main purposes, of C in entering into the arrangements or doing the other thing is an unallowable purpose.
- (2) A purpose is an “unallowable purpose” if—
- (a) it consists of securing a tax advantage for C or any other company which is connected to the operation of the transitional rules, or
 - (b) it is not amongst C’s business or other commercial purposes.
- (3) If a tax advantage connected to the operation of the transitional rules arises to C, an officer of Revenue and Customs may make such adjustments as are required to negate the tax advantage so far as referable to the unallowable purpose on a just and reasonable apportionment.
- (4) If a tax advantage connected to the operation of the transitional rules arises to a company other than C, an officer of Revenue and Customs may make such adjustments as are required to negate the tax advantage.
- (5) The power to make adjustments under this paragraph includes power to make adjustments by any of the following means—
- (a) an amendment of the company’s tax return under paragraph 34(2) or (2A) of Schedule 18 to FA 1998 (amendment after enquiry),
 - (b) an assessment,
 - (c) the nullifying of a right to repayment,
 - (d) the requiring of the return of a repayment already made, and
 - (e) the calculation or recalculation of profits or gains or liability to corporation tax.
- (6) Nothing in this paragraph authorises the making of an assessment later than 6 years after the accounting period to which the tax advantage relates.
- (7) For the purposes of this paragraph—

Status: This is the original version (as it was originally enacted).

- (a) “arrangement” includes any agreement, scheme, transaction or understanding (whether or not legally enforceable),
 - (b) the reference to the operation of the transitional rules is a reference to the operation of any provision made by or under this Part of this Schedule,
 - (c) one example (among others) of entering into arrangements or otherwise doing something for the purposes of, or in connection with, the operation of those rules is entering into the arrangements or otherwise doing the thing to secure that an item is, or is not, taken into account in calculating the total transitional difference, and
 - (d) section 1139 of CTA 2010 (meaning of “tax advantage”) applies, but reading references to tax as references to corporation tax.
- (8) If C is not within the charge to corporation tax in respect of a part of its activities, C’s business or other commercial purposes for the purposes of this paragraph do not include the purposes of that part of its activities.
- (9) This paragraph does not apply in any case if section 132 applies in that case.