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**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 2019, Cross  
Heading: Adjustments required to be made in relation to arrangements. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 4

#### AVOIDANCE INVOLVING PROFIT FRAGMENTATION ARRANGEMENTS

##### *Adjustments required to be made in relation to arrangements*

- 7 (1) Adjustments must be made so as to counteract the tax advantages that would (ignoring this Schedule) arise from profit fragmentation arrangements.
- (2) The adjustments—
- (a) must relate to the expenses, income, profits or losses of the resident party for the tax period in which value is transferred as a result of the material provision,
  - (b) must be based on what the value transferred would have been if it had resulted from a provision made or imposed as between independent parties acting at arm's length, and
  - (c) must be just and reasonable.
- (3) References in this paragraph to “the resident party” are references to the resident party at the time at which the material provision is made or imposed.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2019, Cross Heading:  
Adjustments required to be made in relation to arrangements.