
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2019, Paragraph 7. (See end of Document for details)

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, Paragraph 7.