

SCHEDULES

SCHEDULE 4

AVOIDANCE INVOLVING PROFIT FRAGMENTATION ARRANGEMENTS

Other defined terms

11 In this Schedule—

“arrangements” includes any scheme, agreement, understanding, transaction or series of transactions (whether or not legally enforceable),

“authorised investment fund” means—

- (a) an open-ended investment company within the meaning of section 613 of CTA 2010, or
- (b) an authorised unit trust within the meaning of section 616 of that Act,

“business” includes any trade, profession or vocation,

“employer” has the same meaning as in Part 4 of FA 2004 (see section 279(1) of that Act),

“genuine diversity of ownership condition” means—

- (a) in the case of an offshore fund, the genuine diversity of ownership condition in regulation 75 of the Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001), and
- (b) in the case of an authorised investment fund, the genuine diversity of ownership condition in regulation 9A of the Authorised Investment Fund (Tax) Regulations 2006 (S.I. 2006/964),

“material provision” has the same meaning as in paragraph 2,

“non-UK tax” has the meaning given by section 187 of CTA 2010,

“offshore fund” has the same meaning as in section 354 of TIOPA 2010 (see section 355 of that Act),

“the overseas party” has the meaning given by paragraph 1(2),

“overseas pension scheme” has the same meaning as in Part 4 of FA 2004 (see section 150(7) of that Act),

“participator” has the same meaning as in Part 10 of CTA 2010 (see section 454 of that Act),

“partnership” includes an entity established under the law of a country or territory outside the United Kingdom of a similar character to a partnership, and “member” of a partnership is to be construed accordingly,

“related individual” and “the resident party” have the meanings given by paragraph 1(2),

“tax advantage” includes—

- (a) relief or increased relief from income tax or corporation tax,
- (b) repayment or increased repayment of income tax or corporation tax,
- (c) avoidance or reduction of a charge or an assessment to income tax or corporation tax,

Status: This is the original version (as it was originally enacted).

- (d) avoidance of a possible assessment to income tax or corporation tax,
 - (e) deferral of a payment of tax or advancement of a repayment of tax, and
 - (f) avoidance of an obligation to deduct or account for tax,
- “tax period” has the meaning given by paragraph 5(7),
“the tax reduction” has the meaning given by paragraph 5(2), and
“trust” includes arrangements—
- (a) which have effect under the law of a country or territory outside the United Kingdom, and
 - (b) under which persons acting in a fiduciary capacity hold and administer property on behalf of other persons,
- and “beneficiaries”, in relation to such arrangements, is to be construed accordingly.