HMRC - OT15400 - Receipts - Consideration Received By Connected Persons Under Avoidance Schemes

OTA83\Sch2\Para2

Tariff and disposal receipts are chargeable if they are received or receivable by a participator in respect of qualifying assets. See OT15025 (tariffs) and OT15060 (disposals). OTA83\SCH2\PARA2 applies where the receipt is not receivable by the participator but

by a connected person (see OT15580) in relation to whom the asset is not a qualifying asset and

under arrangements the main purpose (or one of the main purposes) of which is the avoidance of PRT or CT.

Where this paragraph applies the receipt is treated as a receipt of the participator for the purposes of OTA83\S6 (tariffs) or OTA83\S7 (disposals).

As OTA83\Sch2\Para2 does not treat the receipt as that of the participator for the purposes of OTA83\S9 no tariff receipts allowance (see OT15600) may be set against the deemed receipt.

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