



Income Tax Act 2007

2007 CHAPTER 3

PART 13 U.K.

TAX AVOIDANCE

CHAPTER 2 U.K.

TRANSFER OF ASSETS ABROAD

Introduction

714 Overview of Chapter U.K.

- (1) This Chapter imposes a charge to income tax on—
 - (a) individuals to whom income is treated as arising under section 721 (individuals with power to enjoy income as a result of relevant transactions),
 - (b) individuals to whom income is treated as arising under section 728 (individuals receiving capital sums as a result of relevant transactions), and
 - (c) individuals to whom income is treated as arising under section 732 (non-transferors receiving a benefit as a result of relevant transactions).
- (2) The charges apply only if a relevant transfer occurs, and they operate by reference to income of a person abroad that is connected with the transfer or another relevant transaction.
- (3) For the meaning of “relevant transaction”, “relevant transfer” and “person abroad”, see sections 715, 716 and 718 respectively.
- (4) In this Chapter references to individuals include their spouses or civil partners.

715 Meaning of “relevant transaction” U.K.

- (1) A transaction is a relevant transaction for the purposes of this Chapter if it is—

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- (a) a relevant transfer, or
- (b) an associated operation.

(2) For the meaning of “relevant transfer” and “associated operation”, see sections 716 and 719 respectively.

716 Meaning of “relevant transfer” and “transfer” U.K.

(1) A transfer is a relevant transfer for the purposes of this Chapter if—

- (a) it is a transfer of assets, and
- (b) as a result of—
 - (i) the transfer,
 - (ii) one or more associated operations, or
 - (iii) the transfer and one or more associated operations,
 income becomes payable to a person abroad.

(2) In this Chapter “transfer”, in relation to rights, includes the creation of the rights.

(3) For the meaning of “assets”, see section 717.

717 Meaning of “assets” etc U.K.

In this Chapter—

- (a) “assets” includes property or rights of any kind, and
- (b) references to assets representing any assets, income or accumulations of income include references to—
 - (i) shares in or obligations of any company to which the assets, income or accumulations are or have been transferred, or
 - (ii) obligations of any other person to whom the assets, income or accumulations are or have been transferred.

718 Meaning of “person abroad” etc U.K.

(1) In this Chapter “person abroad” means a person who is resident or domiciled outside the United Kingdom.

(2) For the purposes of this Chapter, the following persons are treated as resident outside the United Kingdom—

- (a) a UK resident body corporate that is incorporated outside the United Kingdom,
- (b) the person treated as neither UK resident nor ordinarily UK resident under section 475(3) (trustees of settlements), and
- (c) persons treated as non-UK resident under section 834(4) (personal representatives).

719 Meaning of “associated operation” U.K.

(1) In this Chapter “associated operation”, in relation to a transfer of assets, means an operation of any kind effected by any person in relation to—

- (a) any of the assets transferred,
- (b) any assets directly or indirectly representing any of the assets transferred,

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- (c) the income arising from any assets within paragraph (a) or (b), or
 - (d) any assets directly or indirectly representing the accumulations of income arising from any assets within paragraph (a) or (b).
- (2) It does not matter whether the operation is effected before, after or at the same time as the transfer.

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