



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 13

#### TAX AVOIDANCE

### CHAPTER 1

#### TRANSACTIONS IN SECURITIES

##### *Procedure for counteraction of income tax advantages*

#### **698 Counteraction notices**

- (1) If—
  - (a) a person on whom a notification is served under section 695 does not send a statutory declaration to an officer of Revenue and Customs under section 696 within 30 days of the issue of the notification, or
  - (b) the tribunal [<sup>F1</sup>having been sent such a declaration] under section 697 determines that there is a prima facie case for serving a notice on a person under this section,the income tax advantage in question is to be counteracted by adjustments.
- (2) The adjustments required to be made to counteract the income tax advantage and the basis on which they are to be made are to be specified in a notice served on the person by an officer of Revenue and Customs.
- (3) In this Chapter such a notice is referred to as a “counteraction notice”.
- (4) Any of the following adjustments may be specified—
  - (a) an assessment,
  - (b) the nullifying of a right to repayment,
  - (c) the requiring of the return of a repayment already made, or

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*Status: Point in time view as at 08/04/2010. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects  
 for the Income Tax Act 2007, Section 698. (See end of Document for details)*

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- (d) the calculation or recalculation of profits or gains or liability to income tax.
- (5) Nothing in this section authorises the making of an assessment later than 6 years after the tax year to which the income tax advantage relates.
- (6) This section is subject to—  
<sup>F2</sup>  
 ...  
 section 700 (timing of assessments <sup>F3</sup>...), and  
 section 702(2) (effect of clearance notification under section 701).
- (7) But no other provision in the Income Tax Acts is to be read as limiting the powers conferred by this section.

#### **Textual Amendments**

- F1** Words in s. 698(1)(b) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 457**
- F2** Words in s. 698(6) omitted (8.4.2010 with effect in accordance with Sch. 12 para. 15(1) of the amending Act) by virtue of [Finance Act 2010 \(c. 13\)](#), **Sch. 12 para. 3(a)**
- F3** Words in s. 698(6) omitted (8.4.2010 with effect in accordance with Sch. 12 para. 15(1) of the amending Act) by virtue of [Finance Act 2010 \(c. 13\)](#), **Sch. 12 para. 3(b)**

**Status:**

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