



Corporation Tax Act 2010

2010 CHAPTER 4

PART 14

CHANGE IN COMPANY OWNERSHIP

CHAPTER 6

RECOVERY OF UNPAID CORPORATION TAX

Recovery of unpaid corporation tax for accounting period ending on or after change

714 The expectation condition

- (1) The condition mentioned in section 713(1)(d) is that it would be reasonable (apart from section 713) to make the inference specified in subsection (3) from any of the matters specified in subsection (2).
- (2) Those matters are—
 - (a) the terms of any transactions entered into in connection with the change in the ownership of Y, and
 - (b) the other circumstances of the change and of any such transactions.
- (3) The inference is that at least one of the transactions mentioned in subsection (2) was entered into by one or more of its parties on the assumption that, if a potential tax liability were to arise, it would be unlikely to be met or to be met in full.
- (4) A “potential tax liability” is a liability to pay corporation tax which would or might arise—
 - (a) from an assessment, made after the change in ownership, on Y or an associated company (whether or not a particular associated company), and
 - (b) in foreseeable circumstances.
- (5) Circumstances are “foreseeable circumstances” if—

Status: Point in time view as at 06/04/2010.

Changes to legislation: Corporation Tax Act 2010, Section 714 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) the circumstances were reasonably foreseeable at the time of the change in ownership, or
 - (b) there was a reasonably foreseeable risk at that time that the circumstances might occur.
- (6) For the meaning of “transaction entered into in connection with change in ownership”, see section 715.

Status:

Point in time view as at 06/04/2010.

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