



# Taxation (International and Other Provisions) Act 2010

## 2010 CHAPTER 8

### PART 4

#### TRANSFER PRICING

### CHAPTER 6

#### BALANCING PAYMENTS

#### **204 Meaning of “capital market condition” in sections 199 and 201**

- (1) For the purposes of section 199(6) or 201(6), the capital market condition is met if—
- (a) the actual provision forms part of a capital market arrangement,
  - (b) the capital market arrangement involves the issue of a capital market investment,
  - (c) the securities that represent the capital market investment are issued wholly or mainly to independent persons, and
  - (d) the total value of the capital market investments made under the capital market arrangement is at least £50 million.

- (2) In this section—

“capital market arrangement” has the same meaning as in section 72B(1) of the Insolvency Act 1986 (see paragraph 1 of Schedule 2A to that Act),

“capital market investment” has the same meaning as in section 72B(1) of the Insolvency Act 1986 (see paragraphs 2 and 3 of Schedule 2A to that Act), and

“independent person” means a person—

- (a) who is not the disadvantaged person, and

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**Changes to legislation:** There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 204. (See end of Document for details)

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- (b) who does not have a participatory relationship with either of the affected persons.
- (3) In subsection (2) “the disadvantaged person”—
  - (a) for the purposes of the application of this section in relation to section 199(6) has the meaning given by section 199(4), and
  - (b) for the purposes of the application of this section in relation to section 201(6) has the meaning given by section 201(4).
- (4) For the purposes of subsection (2), a person (“A”) who is a company has a “participatory relationship” with one of the affected persons (“B”) if—
  - (a) one of A and B is directly or indirectly participating in the management, control or capital of the other, or
  - (b) the same person or persons is or are directly or indirectly participating in the management, control or capital of each of A and B.

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