



Finance Act 2015

2015 CHAPTER 11

PART 3

DIVERTED PROFITS TAX

Involvement of entities or transactions lacking economic substance

80 UK company: involvement of entities or transactions lacking economic substance

- (1) This section applies in relation to a company (“C”) for an accounting period if—
- (a) C is UK resident in that period,
 - (b) provision has been made or imposed as between C and another person (“P”) (whether or not P is UK resident) by means of a transaction or series of transactions (“the material provision”),
 - (c) the participation condition is met in relation to C and P (see section 106),
 - (d) the material provision results in an effective tax mismatch outcome, for the accounting period, as between C and P (see sections 107 and 108),
 - (e) the effective tax mismatch outcome is not an excepted loan relationship outcome (see section 109),
 - (f) the insufficient economic substance condition is met (see section 110), and
 - (g) C and P are not both small or medium-sized enterprises for that period.
- (2) For the purposes of subsection (1)(b) provision made or imposed as between a partnership of which C is a member and another person is to be regarded as provision made or imposed as between C and that person.