



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 4

TRANSFER PRICING

CHAPTER 1

BASIC TRANSFER-PRICING RULE

146 Application of this Part

This Part applies for—

- (a) corporation tax purposes, and
- (b) income tax purposes.

147 Tax calculations to be based on arm's length, not actual, provision

(1) For the purposes of this section “the basic pre-condition” is that—

- (a) provision (“the actual provision”) has been made or imposed as between any two persons (“the affected persons”) by means of a transaction or series of transactions,
- (b) the participation condition is met (see section 148),
- (c) the actual provision is not within subsection (7) (oil transactions), and
- (d) the actual provision differs from the provision (“the arm's length provision”) which would have been made as between independent enterprises.

(2) Subsection (3) applies if—

- (a) the basic pre-condition is met, and