

*Status: Point in time view as at 21/07/2008. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Paragraph 30. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 16 **U.K.**

#### COMMUNITY INVESTMENT TAX RELIEF

##### **Modifications etc. (not altering text)**

- C1** Sch. 16 modified by 2005 c. 7, s. 54A (as inserted (10.7.2008) by [The Alternative Finance Arrangements \(Community Investment Tax Relief\) Order 2008 \(S.I. 2008/1821\)](#), arts. 1, 2)

### **PART 6** **U.K.**

#### WITHDRAWAL OF RELIEF

##### *Repayments of loan capital*

- 30 (1) Where the investment consists of a loan, if—
- (a) the average capital balance of the loan for the third, fourth or final year of the five year period is less than the permitted balance for the year in question, and
  - (b) the difference between those balances is not an amount of insignificant value, any relief attributable to the investment in respect of any <sup>F1</sup>... accounting period must be withdrawn.
- (2) For the purposes of this paragraph—
- “the average capital balance” of the loan for a period is the mean of the daily balances of capital outstanding during that period, disregarding any non-standard repayments of the loan made in that period or at any earlier time;
  - “the permitted balance” of the loan is—
- (a) for the third year of the five year period, 75% of the average capital balance for the period of six months beginning 18 months after the investment date,
  - (b) for the fourth year of that period, 50% of that balance, and
  - (c) for the final year of that period, 25% of that balance.
- (3) For the purposes of sub-paragraph (2), a repayment of the loan is a non-standard repayment if it is made—
- (a) at the choice or discretion of the CDFI and not as a direct or indirect consequence of any obligation provided for under the terms of the loan agreement, or
  - (b) as a consequence of the failure of the CDFI to fulfil any obligation of the loan agreement which—

---

*Status: Point in time view as at 21/07/2008. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Paragraph 30. (See end of Document for details)*

---

- (i) is imposed by reason only of the commercial risks to which the investor is exposed as lender under that agreement, and
  - (ii) is no more likely to be breached than any obligation that might reasonably have been agreed in respect of the loan in the absence of this Schedule.
- (4) For the purposes of this paragraph “an amount of insignificant value” means an amount which—
- (a) does not exceed £1,000, or
  - (b) if it exceeds that amount, is insignificant in relation to the average capital balance of the loan for the year of the five year period in question.

---

**Textual Amendments**

- F1** Words in Sch. 16 para. 30(1) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), Sch. 1 para. 419(19), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- 

**Commencement Information**

- I1** Sch. 16 para. 30 in force at 23.1.2003 by [S.I. 2003/88](#), [arts. 2, 3](#)

**Status:**

Point in time view as at 21/07/2008. This version of this provision has been superseded.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2002, Paragraph 30.