
Status: Point in time view as at 24/07/2002. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2002, Paragraph 52. (See end of Document for details)

SCHEDULES

SCHEDULE 25

LOAN RELATIONSHIPS

PART 2

AMENDMENTS OF OTHER ENACTMENTS

The Taxes Act 1988

Treatment of price differential on sale and repurchase of securities

- 52 (1) Section 730A is amended as follows.
- (2) After subsection (5) insert—
- “(5A) For the purposes of the Corporation Tax Acts, a company has a relationship to which this section applies in any case where—
- (a) the circumstances are as set out in subsection (1) above; and
 - (b) interest on a deemed loan is deemed by virtue of subsection (2) above to be paid by or to the company;
- and references to a relationship to which this section applies, and to a company’s being party to such a relationship, shall be construed accordingly.”.
- (3) For subsection (6) (application of Chapter 2 of Part 4 of the Finance Act 1996 (c. 8) in relation to deemed interest) substitute—
- “(6) Where a company has a relationship to which this section applies—
- (a) Chapter 2 of Part 4 of the Finance Act 1996 (loan relationships) shall, as respects that company, have effect in relation to the interest deemed by virtue of subsection (2) above to be paid or received by the company under that relationship as it would have effect if it were interest under a loan relationship to which the company is a party,
 - (b) the debits and credits falling to be brought into account for the purposes of that Chapter so far as they relate to the deemed interest shall be those given by the use in relation to the deemed interest of an authorised accruals basis of accounting, and
 - (c) the only debits or credits to be brought into account for the purposes of that Chapter by virtue of this subsection in respect of a relationship are those relating to that deemed interest,
- and, subject to paragraphs (b) and (c) above, references in the Corporation Tax Acts to a loan relationship accordingly include a reference to a relationship to which this section applies.”.

Status: Point in time view as at 24/07/2002. This version of this provision has been superseded.

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2002, Paragraph 52. (See end of Document for details)*

(4) After subsection (6A) (trading or non-trading debits or credits) insert—

“(6B) To the extent that debits or credits fall to be brought into account by a company under section 82(2) above in the case of a relationship to which this section applies, the company shall be regarded for the purposes of Chapter 2 of Part 4 of the Finance Act 1996 as being party to the relationship for the purposes of a trade carried on by the company.”.

Status:

Point in time view as at 24/07/2002. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2002, Paragraph 52.