



Corporation Tax Act 2009

2009 CHAPTER 4

PART 8

INTANGIBLE FIXED ASSETS

CHAPTER 12

RELATED PARTIES

Connected persons

842 Introduction

- (1) Section 843 explains what is meant in this Chapter when a person is referred to as being connected with another person.
- (2) If that section provides that one person ("A") is connected with another person ("B"), B is connected with A too.
- (3) In that section—
 - "relative" means brother, sister, ancestor or lineal descendant, and
 - "settlement" and "settlor" have the same meaning as in Chapter 5 of Part 5 of ITTOIA (see section 620 of that Act).

843 Who are connected persons

- (1) An individual ("A") is connected with another individual ("B") if—
 - (a) A is B's spouse or civil partner,
 - (b) A is a relative of B,
 - (c) A is the spouse or civil partner of a relative of B,
 - (d) A is a relative of B's spouse or civil partner, or
 - (e) A is the spouse or civil partner of a relative of B's spouse or civil partner.

Status: This is the original version (as it was originally enacted).

- (2) A person in the capacity of a trustee of a settlement is connected with—
 - (a) any individual who is a settlor in relation to the settlement,
 - (b) any person connected with such an individual, and
 - (c) any body corporate that is connected with the settlement.
- (3) For the purposes of subsection (2) a body corporate is connected with a settlement if—
 - (a) it is a close company (or not a close company only because it is not UK resident) and the participators include the trustees of the settlement, or
 - (b) it is controlled by a company within paragraph (a).
- (4) A person is connected with a company if they are related parties because of section 835(2) or (3).
- (5) For the purposes of subsection (4) and for the purposes of section 835 as it applies for the purposes of subsection (4)—
 - (a) “company” includes any body corporate or unincorporated association, but does not include a firm, and
 - (b) a unit trust scheme is treated as if it were a company and as if the rights of the unit holders were shares in the company.