



Finance (No.2) Act 1987

1987 CHAPTER 51

PART I

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER V

TAXES MANAGEMENT PROVISIONS

Miscellaneous

91 Close companies: loans to participators.

- (1) In section 109 of the Management Act (close companies: loans to participators) subsection (2) shall be omitted.
- (2) In subsection (3) of that section for “88” there shall be substituted “87A” and for the words from “charged” onwards there shall be substituted “under the said section 286 became due and payable shall be that determined in accordance with subsection (4) of that section”.
- (3) After subsection (3) of that section there shall be inserted the following subsection—

“(3A) If there is such a repayment of the whole or any part of a loan or advance as is referred to in subsection (5) of section 286 of the principal Act, interest under section 87A of this Act on so much of the tax under the said section 286 as is referable to the amount repaid shall not be payable in respect of any period after the date on which the repayment was made.”
- (4) This section has effect with respect to loans or advances made (or treated as made) in any accounting period ending after the appointed day.