

## SCHEDULES

### SCHEDULE 6

#### AMENDMENTS IN CONNECTION WITH CHARGE UNDER SCHEDULE A

##### *The Taxes Act 1988*

18 After section 375 of that Act there shall be inserted the following section—

**“375A Option to deduct interest for the purposes of Schedule A.**

(1) If an individual who is a qualifying borrower with respect to any interest on a loan which is relevant loan interest—

- (a) is carrying on or proposing to carry on a Schedule A business, and
- (b) gives notice to the Board that deductions are to be made in respect of payments of interest on that loan in computing the profits or gains of that business,

then (subject to the following provisions of this section) section 369 shall not apply to any payment of interest on that loan which becomes due or is made on or after such date as may be specified for the purposes of this subsection in the notice.

(2) A notice specifying a date for the purposes of subsection (1) above—

- (a) may be given at any time before the end of the period of twenty-two months beginning with the end of the year of assessment in which that date falls, but
- (b) once given, shall not be withdrawn.

(3) Where notice is given to the Board under subsection (1) above, the Board shall give notice to the lender and the borrower specifying a date, not being a date before either—

- (a) the date specified for the purposes of that subsection, or
- (b) the date on which the notice under this subsection is given to the lender,

as the date on or after which payments of interest on the loan are to be treated in relation to the lender as payments of interest to which section 369 does not apply.

(4) Subsections (2) and (3) of section 375 shall have effect in relation to any period between—

- (a) the beginning of any date specified for the purposes of subsection (1) above, and
- (b) the date specified in that case in the notice given under subsection (3) above,

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*Status: This is the original version (as it was originally enacted).*

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as they apply, in the case of any relevant loan interest, in relation to the period between the time when the borrower ceases to be a qualifying borrower and the date on which he gives notice of that fact to the lender.

- (5) Where a notice under subsection (1) above has taken effect in relation to payments of interest on any loan, section 369 shall not again apply to payments of interest on that loan except where they become due after such time as may be specified in a further notice given by the Board for the purposes of this subsection to the lender and the borrower.
- (6) A notice under subsection (5) above shall not specify a time for the purposes of that subsection which falls before the time when the Schedule A business in question is permanently discontinued or, as the case may be, when the proposal to carry it on is finally abandoned.”