



# Finance Act 1996

## 1996 CHAPTER 8

### PART IV

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER II

#### LOAN RELATIONSHIPS

##### *Miscellaneous other provisions*

#### **100 Interest on judgments, imputed interest, etc.**

- (1) This Chapter shall have effect in accordance with subsection (2) below where—
  - (a) interest on a money debt is payable to or by any company;
  - (b) that debt is one as respects which it stands, or has stood, in the position of a creditor or debtor; and
  - (c) that debt did not arise from a loan relationship.
- (2) It shall be assumed for the purposes of this Chapter—
  - (a) that the interest is interest payable under a loan relationship to which the company is a party; but
  - (b) that the only credits or debits to be brought into account for those purposes in respect of that relationship are those relating to the interest.
- (3) References in this section to interest payable on a money debt include references to any amount which, in pursuance of sections 770 to 772 of the Taxes Act 1988 (transactions at an undervalue or overvalue), as those sections have effect by virtue of section 773(4) of that Act, falls to be treated in pursuance of those sections as—
  - (a) interest on a money debt; or
  - (b) interest on an amount which is treated as a money debt.

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**Status:** Point in time view as at 29/04/1996. This version of this provision has been superseded.

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1996, Section 100. (See end of Document for details)

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- (4) Any question whether debits or credits falling to be brought into account in accordance with this section in relation to any company—
- (a) are to be brought into account under section 82(2) above, or
  - (b) are to be treated as non-trading debits or non-trading credits,
- shall be determined according to the extent (if any) to which the interest in question is paid for the purposes of a trade carried on by the company or is received in the course of activities forming an integral part of such a trade, or (in the case of deemed interest) would be deemed to be so paid or received.
- (5) This section has effect subject to the provisions of Schedules 9 and 11 to this Act.

**Status:**

Point in time view as at 29/04/1996. This version of this provision has been superseded.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1996, Section 100.