



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 4

SAVINGS AND INVESTMENT INCOME

CHAPTER 6

RELEASE OF LOAN TO PARTICIPATOR IN CLOSE COMPANY

420 Loans and advances to trustees of trusts that have ended

- (1) This section applies if—
- (a) a loan or advance is made to trustees of a trust,
 - (b) a company [^{F1}is or was chargeable to tax under section 455 of CTA 2010 (charge to tax in case of loan to participator)] in respect of the loan or advance, and
 - (c) after the trust has ended the company releases or writes off the whole or part of the debt in respect of the loan or advance.
- (2) Tax is charged under this Chapter on the person from whom the debt is due at the time of release or writing off.

Textual Amendments

- F1** Words in s. 420(1)(b) substituted (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 464](#) (with [Sch. 2](#))

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 420.