



# Finance Act 2005

## 2005 CHAPTER 7

### PART 2

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

### CHAPTER 5

#### ALTERNATIVE FINANCE ARRANGEMENTS

##### *Arrangements giving rise to profit share return*

#### **49 Alternative finance arrangements: profit share return**

- (1) Subject to section 52, arrangements fall within this section if they are arrangements under which—
  - (a) a person (“the depositor”) deposits money with a financial institution,
  - (b) the money, together with money deposited with the institution by other persons, is used by the institution with a view to producing a profit,
  - (c) from time to time the institution makes or credits a payment to the depositor, in proportion to the amount deposited by him, out of any profit resulting from the use of the money, and
  - (d) the payments so made or credited by the institution equate, in substance, to the return on an investment of money at interest.
- (2) In this Chapter references to “profit share return” are references to amounts paid or credited as mentioned in subsection (1)(c) by a financial institution under arrangements falling within this section.