

---

*Status: Point in time view as at 19/07/2006.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Paragraph 13. (See end of Document for details)*

---

## SCHEDULES

### SCHEDULE 6

#### AVOIDANCE INVOLVING FINANCIAL ARRANGEMENTS

*Shares treated as loan relationships: shares subject to outstanding third party obligations*

- 13 (1) Section 91A of FA 1996 (shares subject to outstanding third party obligations) is amended as follows.
- (2) In subsection (1) (conditions for section to apply), in the opening words, for “a company if at any time in an accounting period” substitute “the times in a company’s accounting period during which”.
- (3) In subsection (2) (how Chapter has effect for the accounting period) after “as if” insert “during those times”.
- (4) In subsection (5) (cases where a share is subject to outstanding third party obligations)—
- (a) in paragraph (a) (share is subject to obligations of description in subsection (6)) after “the share is subject to” insert “, or will or might under any relevant arrangements be subject to, ”, and
- (b) in paragraph (b) (obligations of a person other than the investing company) after “the investing company” insert “ or are obligations of the investing company which, under any relevant arrangements, will or might be discharged directly or indirectly by any other person ”.
- (5) After that subsection insert—
- “(5A) For the purposes of subsection (5) above—
- (a) “arrangements” includes any agreement or understanding (whether or not legally enforceable),
- (b) arrangements are “relevant” if they were entered into at any time on or before the share was issued.”.
- (6) The amendments made by sub-paragraphs (2) and (3) have effect in relation to accounting periods ending on or after 22nd March 2006.
- (7) The other amendments made by this paragraph have effect in relation to shares held by a company on or after 22nd March 2006.
- (8) But, in relation to an accounting period beginning before 22nd March 2006, amounts are to be brought into account for the purposes of Chapter 2 of Part 4 of FA 1996 as a result of those other amendments only if the amounts relate to any time on or after that date.

**Status:**

Point in time view as at 19/07/2006.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2006, Paragraph 13.