



Income Tax Act 2007

2007 CHAPTER 3

PART 8

OTHER RELIEFS

CHAPTER 1

INTEREST PAYMENTS

Loans for interests in close companies

392 Loan to buy interest in close company

- (1) This section applies to a loan to an individual that is used in one or more of the ways specified in subsection (2).
- (2) The ways are—
 - (a) acquiring any part of the ordinary share capital of a close company that is not a close investment-holding company,
 - (b) lending to such a company money which is used wholly and exclusively—
 - (i) for the purposes of the business of the company, or
 - (ii) for the purposes of the business of any associated company of the company which is also a close company that is not a close investment-holding company, or
 - (c) repaying another loan to which this section applies.
- (3) Subsection (2)(a) does not apply if at any time the individual by whom the shares are acquired or that individual's spouse or civil partner—
 - (a) makes a claim for relief in respect of them under Part 5 of this Act or, in the case of shares issued before 6 April 2007, Chapter 3 of Part 7 of ICTA (enterprise investment scheme), or

Status: Point in time view as at 06/04/2007. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Section 392. (See end of Document for details)

- (b) makes a claim in respect of them under Schedule 5B to TCGA 1992 (enterprise investment scheme: reinvestment).
- (4) In this section and section 393—
- “close investment-holding company” has the meaning given by section 13A(1) of ICTA (companies not qualifying for small companies' relief), and
- “associated company” has the meaning given by section 416 of ICTA.
- (5) This section is subject to section 411 (ineligibility of interest where business is occupation of commercial woodlands).

Status:

Point in time view as at 06/04/2007. This version of this provision has been superseded.

Changes to legislation:

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