



Corporation Tax Act 2009

2009 CHAPTER 4

PART 5

LOAN RELATIONSHIPS

CHAPTER 1

INTRODUCTION

How profits and deficits from loan relationships are dealt with

298 Meaning of trade and purposes of trade

- (1) For the purposes of this Part a company is taken to be a party to a creditor relationship for the purposes of a trade it carries on only if it is a party to the relationship in the course of activities forming an integral part of the trade.
- (2) For the meaning of “creditor relationship”, see section 302(5).
- (3) For the purposes of this Part activities carried on by a company in the course of—
 - (a) any mutual trading,
 - (b) any mutual insurance or other mutual business which is not life assurance business, or
 - (c) any basic life assurance and general annuity business,are treated as not constituting the whole or any part of a trade.
- (4) Subsection (3) applies for the purposes of any other relevant enactment as it applies for the purposes of this Part.
- (5) In subsection (4) “relevant enactment” means so much of any enactment as contains provision by reference to which amounts are to be brought into account for the purposes of this Part.