



Corporation Tax Act 2009

2009 CHAPTER 4

PART 5

LOAN RELATIONSHIPS

CHAPTER 15

TAX AVOIDANCE

Transactions not at arm's length: exchange gains and losses

448 Exchange gains and losses on debtor relationships: equity notes where holder associated with issuer

- (1) This section applies if—
 - (a) a company has a debtor relationship in an accounting period,
 - (b) an exchange gain or loss arises in the period in respect of a liability representing the relationship, and
 - (c) the whole of any interest or other distribution out of the assets of the company in respect of securities of the company which represent the relationship is regarded as a distribution because of section 209(2)(e)(vii) of ICTA (equity notes held by company associated with issuer or by a funded company).
- (2) The exchange gain or loss must be left out of account in determining the credits or debits to be brought into account for the purposes of this Part.