



Corporation Tax Act 2010

2010 CHAPTER 4

PART 7

COMMUNITY INVESTMENT TAX RELIEF

CHAPTER 3

GENERAL CONDITIONS

231 No control of CDFI by investor

- (1) The investor must not control the CDFI at any time during the 5 year period.
- (2) In this section references to the investor include any person connected with the investor.
- (3) If the CDFI is a body corporate, the question whether the investor controls the CDFI is, for the purposes of this section, determined in accordance with section 1124.

This is subject to subsection (6).

- (4) In any other case the investor is treated, for those purposes, as having control of the CDFI if the investor has power to secure, as a result of—
 - (a) the possession of voting power in the CDFI, or
 - (b) any powers conferred by the constitution of, or any other document regulating, the CDFI,that the affairs of the body are conducted in accordance with the investor's wishes.

This is subject to subsections (5) and (6).

- (5) If—
 - (a) the CDFI is a partnership, and
 - (b) the investor is a member of that partnership,

Status: Point in time view as at 17/07/2012.

Changes to legislation: Corporation Tax Act 2010, Chapter 3 is up to date with all changes known to be in force on or before 14 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

for the purposes of determining in accordance with this section whether the investor controls the CDFI, the other members of that partnership are not, as a result of their membership of the CDFI, treated as partners of the investor.

- (6) In determining whether the investor controls the CDFI there are attributed to the investor (so far as it would not otherwise be the case)—
- (a) any rights or powers that the investor is entitled to acquire at a future date or will, at a future date, become entitled to acquire, and
 - (b) any rights or powers which another person holds on behalf of the investor or may be required to exercise, by direction, on the investor's behalf.

232 Investor must have beneficial ownership

- (1) The investor must be the sole beneficial owner of the investment when it is made.
- (2) If the investment consists of a loan, the person beneficially entitled to repayment of the loan is treated as the beneficial owner of the loan for the purposes of this Part.

233 Investor must not be accredited

The investor must not be accredited as a community development finance institution under Chapter 2 of Part 7 of ITA 2007 on the investment date.

234 No acquisition of share in partnership

- (1) If the CDFI is a partnership, the investment must not consist of or include any amount of capital contributed by the investor on becoming a member of the partnership.
- (2) For this purpose the amount of capital contributed by the investor on becoming a member of the partnership includes any amount which—
 - (a) purports to be provided by the investor by way of loan capital, and
 - (b) is accounted for as partners' capital in the accounts of the partnership.

235 No tax avoidance purpose

The investment must not be made as part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax.

Status:

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