

Status: Point in time view as at 08/03/2012.

Changes to legislation: Corporation Tax Act 2010, Paragraph 107 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)

SCHEDULES

SCHEDULE 2 **U.K.**

TRANSITIONALS AND SAVINGS ETC

PART 23 **U.K.**

COMPANY DISTRIBUTIONS

Interest etc paid in respect of certain securities

- 107 (1) Section 1032(1) does not apply in the case of any interest or other distribution which is paid in respect of a security of the borrower that meets Condition C in section 1015 (securities under which the consideration for the use of the principal secured is dependent on the results of the company's business) if—
- (a) the principal secured does not exceed £100,000,
 - (b) the borrower is under an obligation to repay the principal and interest before the end of the period of 5 years beginning on the date on which the principal was paid to the borrower,
 - (c) that obligation was entered into before 9 March 1982 or was entered into before 1 July 1982 in pursuance of negotiations which were in progress on 9 March 1982, and
 - (d) where the period for repayment of either principal or interest is extended after 8 March 1982 (but paragraph (b) still applies), the interest or other distribution is paid within the period applicable immediately before that date.
- (2) For the purposes of sub-paragraph (1)(c) negotiations are not regarded as having been in progress on 9 March 1982 unless, before that date, the borrower—
- (a) had applied to the lender for a loan, and
 - (b) had supplied the lender with any documents required by the lender to support the application.

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