



Corporation Tax Act 2010

2010 CHAPTER 4

PART 23

COMPANY DISTRIBUTIONS

CHAPTER 2

MATTERS WHICH ARE DISTRIBUTIONS

Meaning of “distribution”

1000 Meaning of “distribution”

- (1) In the Corporation Tax Acts “distribution”, in relation to any company, means anything falling within any of the following paragraphs.

Any dividend paid by the company, including a capital dividend.

Any other distribution out of assets of the company in respect of shares in the company, except however much (if any) of the distribution—

- (a) represents repayment of capital on the shares, or
- (b) is (when it is made) equal in amount or value to any new consideration received by the company for the distribution.

For the purposes of this paragraph it does not matter whether the distribution is in cash or not.

Any redeemable share capital issued by the company—

- (a) in respect of shares in, or securities of, the company, and
- (b) otherwise than for new consideration (see sections 1003 and 1115).

Any security issued by the company—

- (a) in respect of shares in, or securities of, the company, and
- (b) otherwise than for new consideration (see sections 1004 and 1115).

Changes to legislation: Corporation Tax Act 2010, Section 1000 is up to date with all changes known to be in force on or before 26 June 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) View outstanding changes

Any interest or other distribution out of assets of the company in respect of securities of the company which are non-commercial securities (as defined in section 1005), except—

- (a) however much (if any) of the distribution represents the principal secured by the securities, and
- (b) however much (if any) of the distribution represents a reasonable commercial return for the use of the principal.

Any interest or other distribution out of assets of the company in respect of securities of the company which are special securities (as defined in section 1015), except—

- (a) however much (if any) of the distribution represents the principal secured by the securities, and
- (b) however much (if any) of the distribution falls within paragraph E.

Any amount treated as a distribution by section 1020 (transfers of assets or liabilities).

Any amount treated as a distribution by section 1022 (bonus issues following repayment of share capital).

- (2) In the Corporation Tax Acts “distribution”, in relation to a close company, also includes anything treated as a distribution by section 1064 (certain expenses of close companies treated as distributions).
- (3) See also section 1072 (which extends the meaning of “distribution” in relation to members of a 90% group).

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))