



Corporation Tax Act 2010

2010 CHAPTER 4

PART 10

CLOSE COMPANIES

CHAPTER 3

CHARGE TO TAX IN CASE OF LOAN TO PARTICIPATOR

Exceptions to the charge to tax under section 455

457 Section 456: meaning of “material interest in a company”

- (1) A person has a material interest in a company for the purposes of section 456 if condition A or B is met.
- (2) Condition A is that the person (with or without one or more associates) or any associate of that person (with or without one or more other such associates) is—
 - (a) the beneficial owner of, or
 - (b) directly or indirectly able to control, more than 5% of the ordinary share capital of the company.
- (3) Condition B is that, in the case of a close company, the person (with or without one or more associates) or any associate of that person (with or without one or more other such associates) possesses or is entitled to acquire such rights as would—
 - (a) in the event of the winding up of the company, or
 - (b) in any other circumstances, give an entitlement to receive more than 5% of the assets which would then be available for distribution among the participators.

Changes to legislation:

Corporation Tax Act 2010, Section 457 is up to date with all changes known to be in force on or before 11 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.

[View outstanding changes](#)

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))