

Status: Point in time view as at 01/04/2010.

Changes to legislation: There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Paragraph 49. (See end of Document for details)

SCHEDULES

SCHEDULE 2

ALTERNATIVE FINANCE ARRANGEMENTS

PART 3

OTHER AMENDMENTS

Income Tax (Earnings and Pensions) Act 2003 (c. 1)

- 49 After section 173 (loans to which Chapter 7 of Part 3 (taxable benefits: loans) applies) insert—

“173A Alternative finance arrangements

- (1) For the purposes of this Chapter a reference to a loan includes a reference to arrangements—
 - (a) to which section 564C of ITA 2007 or section 503 of CTA 2009 (purchase and resale arrangements) applies (or would apply assuming one of the parties were a financial institution), or
 - (b) to which section 564D of ITA 2007 or section 504 of CTA 2009 (diminishing shared ownership arrangements) applies (or would apply on that assumption).
- (2) In the application of this Chapter as a result of this section, a reference to interest is to be treated as including alternative finance return (or anything that would be such return on that assumption).
- (3) In the application of this Chapter as a result of this section, a reference to the amount outstanding is to be taken—
 - (a) in the case of arrangements within subsection (1)(a), as a reference to the purchase price minus such part of the aggregate payments made as does not represent alternative finance return (or anything that would be such return on that assumption),
 - (b) in the case of arrangements to which section 564D of ITA 2007 or section 504 of CTA 2009 applies, as a reference to the amount of the financial institution's original beneficial interest minus such part of the aggregate payments made as does not represent alternative finance return, and
 - (c) in the case of arrangements to which section 564D of ITA 2007 or section 504 of CTA 2009 would apply assuming one of the parties were a financial institution, as a reference to the amount of that party's original beneficial interest minus such part of the aggregate payments made as does not represent anything that would be alternative finance return on that assumption.

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(4) In this section—

“alternative finance return” has the meaning given in sections 564I to 564L of ITA 2007 or sections 511 to 513 of CTA 2009, and

“financial institution” has the meaning given in section 564B of ITA 2007 or section 502 of CTA 2009.

(5) This section does not apply to arrangements entered into before 22 March 2006.”

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