

FINANCE ACT 2014

EXPLANATORY NOTES

INTRODUCTION

Section 13: Relief for Loan Interest: Loan to Buy Interest in Close Company

Details of the Section

3. Subsection 1 introduces changes to Chapter 1 of Part 8 of the Income Tax Act 2007 (ITA 2007).
4. Subsection 2(a) provides that a ‘close company’ for the purposes of sections 392 and 393 ITA 2007 includes a company which is resident in an EEA state other than the United Kingdom.
5. Subsection 2(b) changes the reference to the legislation containing the definition of ‘close investment-holding company’ from section 34 of the Corporation Tax Act 2010 (CTA 2010) to section 393A ITA 2007.
6. Subsection 3 adds new section 393A to ITA 2007. This contains the definition of ‘close investment-holding company’ that is currently at section 34 CTA 2010.