

*These notes refer to the Finance Act 2015 (c.11)
which received Royal Assent on 26 March 2015*

FINANCE ACT 2015

EXPLANATORY NOTES

INTRODUCTION

Section 109: “Excepted Loan Relationship Outcome”

Summary

1. This section explains when an effective tax mismatch outcome is an “excepted loan relationship outcome” for the purposes of section 80 and section 86.

Details of the Section

2. Subsection (1) applies the section for the purposes of section 80 and section 86.
3. Subsection (2) provides the definition of an “excepted loan relationship outcome” by reference to Parts 5 and 7 of CTA 2009.

Background Note

4. The diverted profits tax is a new charge on diverted profits. The main objective is to counteract contrived arrangements used by large groups (typically multinational enterprises) that result in the erosion of the UK tax base.