



Finance Act 2015

2015 CHAPTER 11

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 2

INCOME TAX: GENERAL

23 Exceptions from duty to deduct tax: qualifying private placements

- (1) In Chapter 3 of Part 15 of ITA 2007 (deduction of tax from certain payments of yearly interest), after section 888 insert—

“888A Qualifying private placements

- (1) The duty to deduct a sum representing income tax under section 874 does not apply to a payment of interest on a qualifying private placement.
- (2) “Qualifying private placement” means a security—
- which represents a loan relationship to which a company is a party as debtor,
 - which is not listed on a recognised stock exchange, and
 - in relation to which such other conditions as the Treasury may specify by regulations are met.
- (3) The conditions which may be specified under subsection (2)(c) include conditions relating to—
- the security itself,
 - the loan relationship represented by the security,
 - the terms on which, or circumstances under which, the security or loan relationship is entered into,

Status: This is the original version (as it was originally enacted).

- (d) the company which is party to the loan relationship as debtor,
 - (e) any person by or through whom a payment of interest on the security is made, or
 - (f) the holder of the security.
- (4) Regulations under this section may make provision about the consequences of failing to make a deduction under section 874, in respect of a payment of interest on a security, in cases where the person required to make the deduction had a reasonable, but mistaken, belief that the security was a qualifying private placement.
- (5) Regulations under this section may—
- (a) make different provision for different cases;
 - (b) contain incidental, supplemental, consequential and transitional provision and savings.
- (6) In this section “loan relationship” has the same meaning as in Part 5 of CTA 2009.”
- (2) Any power conferred on the Treasury by virtue of subsection (1) to make regulations comes into force on the day on which this Act is passed.
- (3) So far as not already brought into force by subsection (2), the amendment made by this section comes into force on such day as the Treasury may by regulations appoint.
- (4) Section 1014(4) of ITA 2007 (regulations etc subject to annulment) does not apply to regulations under subsection (3).