



# Finance Act 2016

## 2016 CHAPTER 24

### PART 2

#### CORPORATION TAX

##### *Loan relationships*

#### **50 Loans to participators etc: rate of tax**

- (1) In section 455 of CTA 2010 (charge to tax in case of loan to participator), in subsection (2), for “25% of the amount of the loan or advance” substitute “such percentage of the amount of the loan or advance as corresponds to the dividend upper rate specified in section 8(2) of ITA 2007 for the tax year in which the loan or advance is made”.
- (2) The amendment made by subsection (1) has effect in relation to a loan or advance made on or after 6 April 2016.
- (3) In section 464A of CTA 2010 (charge to tax: arrangements conferring benefit on participator), in subsection (3), for “25% of the value of the benefit conferred” substitute “such percentage of the value of the benefit conferred as corresponds to the dividend upper rate specified in section 8(2) of ITA 2007 for the tax year in which the benefit is conferred”.
- (4) The amendment made by subsection (3) has effect in relation to a benefit conferred on or after 6 April 2016.