

SCHEDULES

SCHEDULE 11

EMPLOYMENT INCOME PROVIDED THROUGH THIRD PARTIES: LOANS ETC OUTSTANDING ON 5 APRIL 2019

PART 1

APPLICATION OF PART 7A OF ITEPA 2003

Relevant step

- 1 (1) A person (“P”) is treated as taking a relevant step for the purposes of Part 7A of ITEPA 2003 if—
- (a) P has made a loan, or a quasi-loan, to a relevant person,
 - (b) the loan or quasi-loan was made on or after [^{F1}9 December 2010], and
 - (c) an amount of the loan or quasi-loan is outstanding immediately before the end of 5 April 2019.
- (2) P is treated as taking the step immediately [^{F2}before the end of 5 April 2019.]
- (3) Where P is treated by this paragraph as taking a relevant step, references to “the relevant step” in [^{F3}sections 554A(1)(e)(i) and (ii) and 554AA(1)(h)(i) and (ii)] of ITEPA 2003 have effect as if they were references to the step of making the loan or, as the case may be, quasi-loan.
- (4) For the purposes of section 554Z3(1) of ITEPA 2003 (value of relevant step), the step is to be treated as involving a sum of money equal to the amount of the loan or quasi-loan that is outstanding at the time P is treated as taking the step.
- (5) Subsections (2) and (3) of section 554C of ITEPA 2003 (“relevant person”) apply for the purposes of this Schedule as they apply for the purposes of that section.
- (6) [^{F4}Sub-paragraphs (1) and (2) are] subject to paragraphs 23 and 24 (accelerated payments) [^{F5}and paragraph 36A (double taxation: close companies)].
- [^{F6}(6A) Sub-paragraph (4) is subject to paragraph 1A(5).]
- (7) For the purposes of this paragraph [^{F7}and paragraph 1A], whether an amount of a loan or quasi-loan is outstanding at a particular time—
- (a) is to be determined in accordance with [^{F8}paragraphs 3 to 18], and
 - (b) does not depend on the loan or quasi-loan subsisting at that time.
- (8) References in this Schedule and in Part 7A of ITEPA 2003 to a relevant step within paragraph 1 of this Schedule are to be read as references to a relevant step which a person is treated by this paragraph as taking.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2017, Paragraph 1. (See end of Document for details)

Textual Amendments

- F1** Words in Sch. 11 para. 1(1)(b) substituted (22.7.2020) by [Finance Act 2020 \(c. 14\), s. 15\(1\)](#)
- F2** Words in Sch. 11 para. 1(2) substituted (22.7.2020) by [Finance Act 2020 \(c. 14\), Sch. 2 para. 2](#)
- F3** Words in Sch. 11 para. 1(3) substituted (15.3.2018) by [Finance Act 2018 \(c. 3\), Sch. 1 para. 8\(2\)\(a\)](#)
- F4** Words in Sch. 11 para. 1(6) substituted (15.3.2018) by [Finance Act 2018 \(c. 3\), Sch. 1 para. 8\(2\)\(b\)\(i\)](#)
- F5** Words in Sch. 11 para. 1(6) inserted (15.3.2018) by [Finance Act 2018 \(c. 3\), Sch. 1 para. 8\(2\)\(b\)\(ii\)](#)
- F6** Sch. 11 para. 1(6A) inserted (22.7.2020) by [Finance Act 2020 \(c. 14\), s. 16\(2\)\(a\)](#)
- F7** Words in Sch. 11 para. 1(7) inserted (22.7.2020) by [Finance Act 2020 \(c. 14\), s. 16\(2\)\(b\)\(i\)](#)
- F8** Words in Sch. 11 para. 1(7)(a) substituted (22.7.2020) by [Finance Act 2020 \(c. 14\), s. 16\(2\)\(b\)\(ii\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Finance (No. 2) Act 2017, Paragraph 1.