Finance (No. 2) Act 2017 (c. 32)
SCHEDULE 11 – Employment income provided through third parties: loans etc outstanding on 5 April 2019
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1

S C H E D U L E S

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 6 April 1999, 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 before—
    (a) the end of the approved repayment date, if P has made a loan which is an approved fixed term loan on 5 April 2019, or
    (b) the end of 5 April 2019, in any other case.

   (3) Where P is treated by this paragraph as taking a relevant step, references to "the relevant step" in section 554A(1)(e)(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) Sub-paragraph (1) is subject to paragraphs 23 and 24 (accelerated payments).

   (7) For the purposes of this paragraph, whether an amount of a loan or quasi-loan is outstanding at a particular time—
    (a) is to be determined in accordance with the following provisions of this Schedule, 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.