



Finance Act 2020

2020 CHAPTER 14

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Loan charge

20 Repaying sums paid to HMRC under agreements relating to certain loans etc

- (1) The Commissioners for Her Majesty's Revenue and Customs ("the Commissioners") must establish a scheme under which they may on an application made to them before 1 October 2021—
 - (a) repay the whole or part of a qualifying amount paid or treated as paid to them under a qualifying agreement, or
 - (b) waive the payment of the whole or part of a qualifying amount due to be paid to them under a qualifying agreement.
- (2) An agreement is a qualifying agreement if—
 - (a) it is an agreement with the Commissioners,
 - (b) it is made on or after 16 March 2016 and before 11 March 2020, and
 - (c) it imposes an obligation on any party to the agreement to pay an amount of income tax that is referable (directly or indirectly) to a qualifying loan or quasi-loan.
- (3) An amount paid, treated as paid or due to be paid under a qualifying agreement is a qualifying amount if—
 - (a) the amount is referable (directly or indirectly) to a qualifying loan or quasi-loan, and
 - (b) the amount is one that an officer of Revenue and Customs had no power to recover at the time the agreement was made.
- (4) But an amount that is referable (directly or indirectly) to a qualifying loan or quasi-loan made on or after 9 December 2010 is not a qualifying amount by reason of

Status: This is the original version (as it was originally enacted).

subsection (3) unless at a time when an officer of Revenue and Customs had power to recover the amount a tax return, or two or more tax returns of the same type taken together, contained a reasonable disclosure of the loan or quasi-loan.

- (5) For the purposes of subsection (4), a tax return, or two or more tax returns taken together, contained a reasonable disclosure of the loan or quasi-loan if the return or returns taken together—
- (a) identified the qualifying loan or quasi-loan,
 - (b) identified the person to whom the qualifying loan or quasi-loan was made,
 - (c) identified any arrangements in pursuance of which, or in connection with which, the qualifying loan or quasi-loan was made, and
 - (d) provided such other information as was sufficient for it to be apparent that a reasonable case could have been made that the amount concerned was payable to the Commissioners.
- (6) An amount paid, treated as paid or due to be paid under a qualifying agreement is also a qualifying amount if it is interest on another qualifying amount paid, treated as paid or due to be paid under that agreement.
- (7) A loan or quasi-loan is a qualifying loan or quasi-loan if it is made on or after 6 April 1999 and before 6 April 2016.
- (8) In this section—
- “loan” and “quasi-loan” have the meaning they have in Part 1 of Schedule 11 to F(No.2)A 2017 and Schedule 12 to that Act (see paragraph 2 of each of those Schedules), and
 - “tax return” means—
 - (a) a return made under section 8 of TMA 1970 and any accompanying accounts, statements or documents, or
 - (b) a return made under paragraph 3 of Schedule 18 to FA 1998,and a tax return is of the same type as another if both fall within the same paragraph of this definition.
- (9) Section 21 makes further provision in connection with the scheme established under this section.