

Finance Act 1996

1996 CHAPTER 8

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER II

LOAN RELATIONSHIPS

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Modifications etc. (not altering text)
        Pt. 4 Ch. 2 modified (29.4.1996) by 1986 c. 44, s. 60(3) (as substituted (29.4.1996) by 1996 c. 8, s.
        104, Sch. 14 para. 4 (with savings in Pt. 4 Ch. 2))
        Pt. 4 Ch. 2 modified (29.4.1996) by 1988 c. 1, s. 730A(6) (as substituted (29.4.1996) by 1996 c. 8, s.
        104, Sch. 14 para. 37 (with savings in Pt. 4 Ch. 2) and as further substituted (24.7.2002 with effect as
        mentioned in s. 82(2) of the amending Act) by 2002 c. 23, s. 82(1), Sch. 25 Pt. 2 para. 52(3))
        Pt. 4 Ch. 2 modified (29.4.1996) by 1988 c. 1, s. 768B(10) (as substituted (29.4.1996) by 1996 c. 8, s.
        104, Sch. 14 para. 39(1) (with savings in Pt. 4 Ch. 2))
        Pt. 4 Ch. 2 modified (29.4.1996) by 1988 c. 1, s. 786C(9) (as substituted (29.4.1996) by 1996 c. 8, s.
        104, Sch. 14 para. 40 (with savings in Pt. 4 Ch. 2))
        Pt. 4 Ch. 2 modified (29.4.1996) by 1988 c. 35, s. 11(7) (as substituted (29.4.1996) by 1996 c. 8, s.
        104, Sch. 14 para. 55 (with savings in Pt. 4 Ch. 2))
        Pt. 4 Ch. 2 modified (29.4.1996) by 1988 c. 1, s. 477A(3)(a) (as substituted (29.4.1996) by 1996 c. 8,
        s. 104, Sch. 14 para. 28(1) (with savings in Pt. 4 Ch. 2))
        Pt. 4 Ch. 2 modified (29.4.1996) by 1986 c. 31, s. 77(3) (as substituted (29.4.1996) by 1996 c. 8, s.
        104, Sch. 14 para. 3 (with savings in Pt. 4 Ch. 2))
        Pt. 4 Ch. 2 modified (24.7.1996) by 1996 c. 55, s. 135, Sch. 7 para. 11(2)
        Pt. 4 Ch. 2 modified (27.7.1999 with effect as mentioned in s. 100(2)(3) of 1999 c. 16) by 1988 c. 1,
        s. 494AA(5) (as inserted (27.7.1999 with effect as mentioned in s. 100(2)(3) of the amending Act) by
        1999 c. 16, s. 100(1))
        Pt. 4 Ch. 2 modified (15.1.2001) by 2000 c. 38, s. 250, Sch. 26 paras. 7(2); S.I. 2000/3376, art. 2
        Pt. 4 Ch. 2 modified (15.1.2001) by 2000 c. 38, s. 250, Sch. 26 paras. 17(2); S.I. 2000/3376, art. 2
        Pt. 4 Ch. 2 modified (15.1.2001) by 2000 c. 38, s. 250, Sch. 26 paras. 29(2); S.I. 2000/3376, art. 2
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Pt. 4 Ch. 2 modified (24.7.2002 with effect as mentioned in s. 71(2)(4) of the amending Act) by
       Finance Act 2002 (c. 23), s. 71(3)
       Pt. 4 Ch. 2 modified (24.7.2002 with effect as mentioned in s. 79(3) of Finance Act 2002) by Income
      and Corporation Taxes Act 1988 (c.1), s. 494(2ZA) (as inserted (24.7.2002 with effect as mentioned
       in s. 79(3) of the amending Act) by Finance Act 2002 (c. 23), s. 79(2), Sch. 23 Pt. 2 para. 17(7) (with
       Sch. 23 para. 25))
       Pt. 4 Ch. 2 modified (24.7.2002 with effect as mentioned in s. 82(2) of Finance Act 2002) by Income
       and Corporation Taxes Act 1988 (c.1), s. 730A(6B) (as inserted (24.7.2002 with effect as mentioned in
       s. 82(2) of the amending Act) by Finance Act 2002 (c. 23), s. 82(1), Sch. 25 Pt. 2 para. 52(4))
       Pt. 4 Ch. 2 modified (24.7.2002 with effect as mentioned in s. 82(2) of Finance Act 2002) by Income
      and Corporation Taxes Act 1988 (c.1), s. 842(1AB) (as inserted (24.7.2002 with effect as mentioned in
      s. 82(2) of the amending Act) by Finance Act 2002 (c. 23), s. 82(1), Sch. 25 Pt. 2 para. 56(4))
       Pt. 4 Ch. 2 modified (24.7.2002) by Finance Act 2002 (c. 23), s. 82(1), Sch. 25 Pt. 3 para. 64
       Pt. 4 Ch. 2 modified (24.7.2002 with effect as mentioned in s. 83(3)(4) of the amending Act) by
       Finance Act 2002 (c. 23), s. 83(1), Sch. 26 Pt. 4 para. 19(4)
       Pt. 4 Ch. 2 modified (1.10.2002 with effect in relation to accounting periods beginning on or after that
      date) by The Exchange Gains and Losses (Bringing into Account Gains or Losses) Regulations 2002
      (S.I. 2002/1970), regs. 1(2), 6, 7, 13
      Pt. 4 Ch. 2 applied (29.4.1996) by 1988 c. 1, s. 434A(2A) (as inserted (29.4.1996) by 1996 c. 8, s. 104,
      Sch. 14 para. 23(2) (with savings in Pt. 4 Ch. 2))
       Pt. 4 Ch. 2 applied (29.4.1996) by 1993 c. 34, s. 130(1) (as substituted (29.4.1996) by 1996 c. 8, s.
       104, Sch. 14 para. 69 (with savings in Pt. 4 Ch. 2))
       Pt. 4 Ch. 2 applied (29.4.1996) by 1994 c. 9, s. 160(2) (as substituted (29.4.1996) by 1996 c. 8, s. 104,
       Sch. 14 para. 75 (with savings in Pt. 4 Ch. 2)
       Pt. 4 Ch. 2 applied (24.7.2002 with effect as mentioned in s. 82(2) of Finance Act 2002) by Income
      and Corporation Taxes Act 1988 (c.1), s. 510A(6A) (as inserted (24.7.2002 with effect as mentioned in
      s. 82(2) of the amending Act) by Finance Act 2002 (c. 23), s. 82(1), Sch. 25 Pt. 2 para. 49(4))
C3
      Pt. 4 Ch. 2 restricted (29.4.1996) by 1988 c. 1, s. 475(2)(b) (as substituted (29.4.1996) by 1996 c. 8, s.
       104, Sch. 14 para. 27(1) (with savings in Pt. 4 Ch. 2))
       Pt. 4 Ch. 2 restricted (29.4.1996) by 1988 c. 1, s. 487(1)(b) (as substituted (29.4.1996) by 1996 c. 8, s.
       104, Sch. 14 para. 31(1) (with savings in Pt. 4 Ch. 2))
       Pt. 4 Ch. 2 restricted (29.4.1996) by 1988 c. 1, s. 487(3A) (as inserted (29.4.1996) by 1996 c. 8, s. 104,
       Sch. 14 para. 31(3) (with savings in Pt. 4 Ch. 2)
       Pt. 4 Ch. 2 restricted (29.4.1996) by 1988 c. 1, s. 494(2) (as substituted (29.4.1996) by 1996 c. 8, s.
       104, Sch. 14 para. 32(2) (with savings in Pt. 4 Ch. 2))
       Pt. 4 Ch. 2 restricted (24.7.2002 with effect as mentioned in s. 82(2) of Finance Act 2002) by Income
       and Corporation Taxes Act 1988 (c.1), s. 582(3A) (as inserted (24.7.2002 with effect as mentioned in
       s. 82(2) of the amending Act) by Finance Act 2002 (c. 23), s. 82(1), Sch. 25 Pt. 2 para. 50)
       Pt. 4 Ch. 2 restricted (24.7.2002 with effect as mentioned in s. 82(2) of Finance Act 2002) by Income
      and Corporation Taxes Act 1988 (c.1), s. 787(1A) (as inserted (24.7.2002 with effect as mentioned in
      s. 82(2) of the amending Act) by Finance Act 2002 (c. 23), s. 82(1), Sch. 25 Pt. 2 para. 53(2))
C4
      Pt. 4 Ch. 2 excluded (29.4.1996) by 1988 c. 1, s. 56(4B) (as inserted (29.4.1996) by 1996 c. 8, s. 104,
      Sch. 14 para. 6 (with savings in Pt. 4 Ch. 2))
       Pt. 4 Ch. 2 excluded (29.4.1996) by 1988 c. 1, s. 468L(5) (as substituted (29.4.1996) by 1996 c. 8, s.
       104, Sch. 14 para. 26 (with savings in Pt. 4 Ch. 2))
C5
      Pt. 4 Ch. 2 modified (24.2.2003) by Proceeds of Crime Act 2002 (c. 29), s. 458(1), Sch. 10 para.
      9 (with Sch. 10 para. 10); S.I. 2003/120, art. 2, Sch. (with arts. 34) (as amended (20.2.2003) by S.I.
      2003/333, art. 14)
      Pt. 4 Ch. 2 restricted (24.7.2002 with effect as mentioned in s. 83(3)(4) of the amending Act) by
       Finance Act 2002 (c. 23), s. 83(1), Sch. 26 Pt. 9 para. 48(4)Pt. 4 Ch. 2 (as amended (with effect in
      accordance with s. 52(3) of the amending Act) by Finance Act 2004 (c. 12), Sch. 10 para. 64)
C7
      Pt. 4 Ch. 2 applied (with modifications) (5.10.2004) by Energy Act 2004 (c. 20), s. 198(2), Sch. 9
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para. 11 (with s. 38(2)); S.I. 2004/2575, art. 2(1), Sch. 1

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Chapter II. (See end of Document for details)

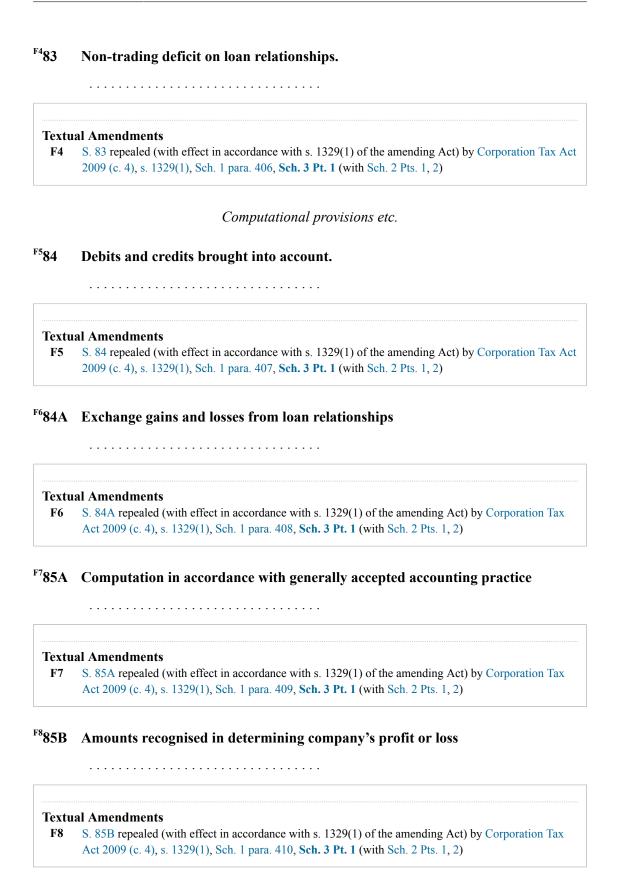
- C8 Pt. 4 Ch. 2 applied (with modifications) (5.10.2004) by Energy Act 2004 (c. 20), s. 198(2), Sch. 9 para. 23 (with s. 38(2)); S.I. 2004/2575, art. 2(1), Sch. 1
- C9 Pt. 4 Ch. 2 modified (with effect in accordance with s. 56(1)-(3)(5) of the amending Act) by Finance Act 2005 (c. 7), s. 56(4)(b)
- C10 Pt. 4 Ch. 2 modified (with effect in accordance with s. 56 of the amending Act) by Finance Act 2005 (c. 7), s. 50
- C11 Pt. 4 Ch. 2 modified (E.W.S.) (8.6.2005) by Railways Act 2005 (c. 14), s. 60(2), Sch. 10 para. 7; S.I. 2005/1444, art. 2(1), Sch. 1
- **C12** Pt. 4 Ch. 2 modified (E.W.S.) (8.6.2005) by Railways Act 2005 (c. 14), s. 60(2), **Sch. 10 para. 18**; S.I. 2005/1444, art. 2(1), Sch. 1
- C13 Pt. 4 Ch. 2 modified (20.7.2005) by Finance (No. 2) Act 2005 (c. 22), Sch. 7 para. 14(5)-(7)
- C14 Pt. 4 Ch. 2 modified (with effect in accordance with reg. 1(2) of the amending S.I.) by The Pension Protection Fund (Tax) (2005-06) Regulations 2005 (S.I. 2005/1907), regs. 1(1), 12
- C15 Pt. 4 Ch. 2 modified by 1988 c. 1, s. 774B(5)(a) (as inserted (with effect in accordance with Sch. 6 para. 6(2)-(7) of the amending Act) by Finance Act 2006 (c. 25), Sch. 6 para. 6(1))
- C16 Pt. 4 Ch. 2 modified (22.7.2008) by Crossrail Act 2008 (c. 18), Sch. 13 para. 14
- C17 Pt. 4 Ch. 2 modified (22.7.2008) by Crossrail Act 2008 (c. 18), Sch. 13 para. 24(a)

Introductory provisions

^{F1} 80	Taxation of loan relationships.
Text	ual Amendments
F1	S. 80 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 403, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
F ² 81	Meaning of "loan relationship" etc.
Text	ual Amendments
F2	S. 81 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 404, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
	Taxation of profits and gains and relief for deficits
F ³ 82	Method of bringing amounts into account.

Textual Amendments

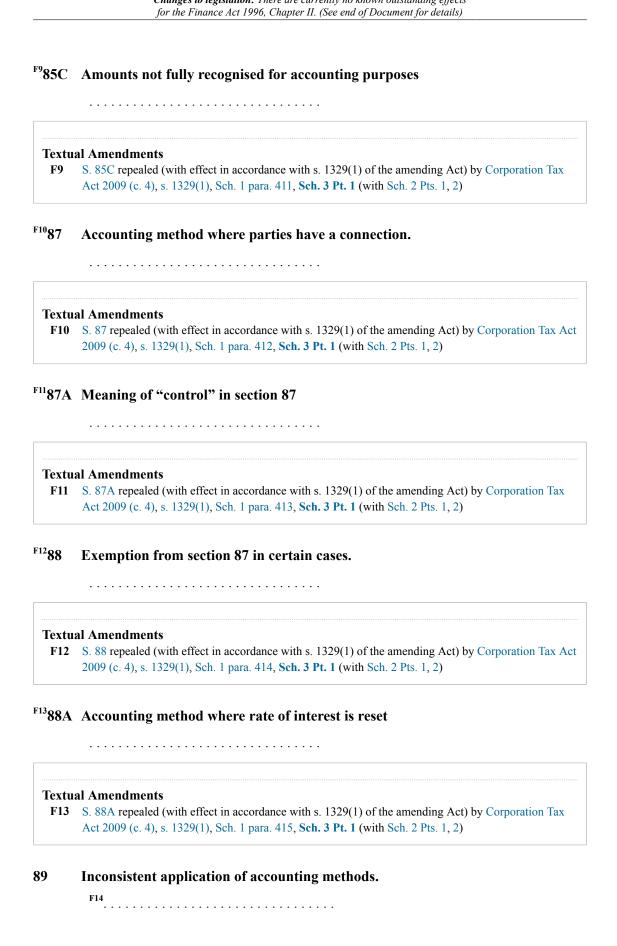
F3 S. 82 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 405, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

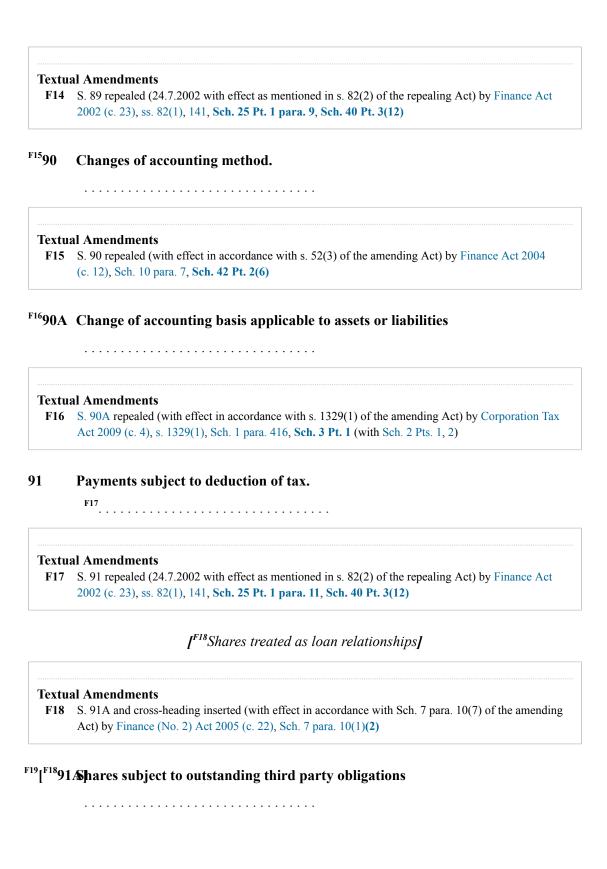


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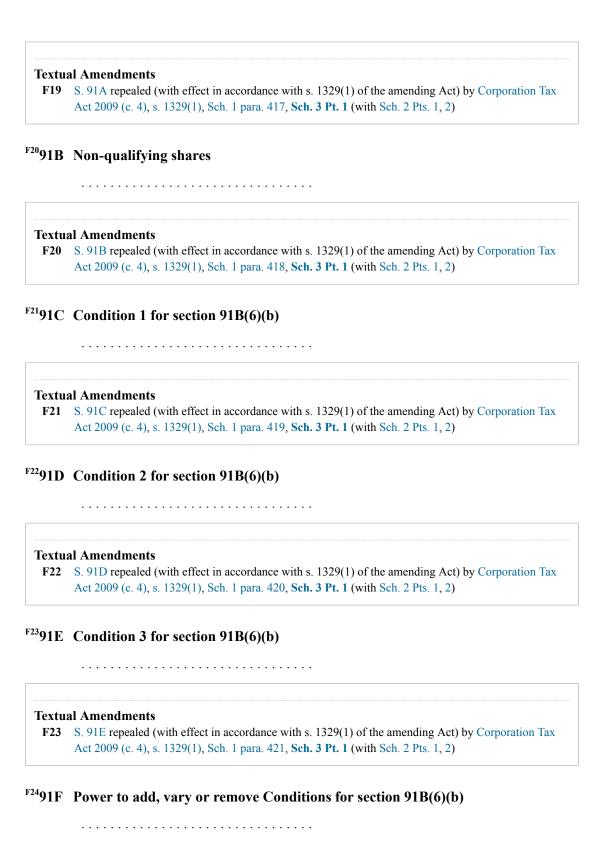
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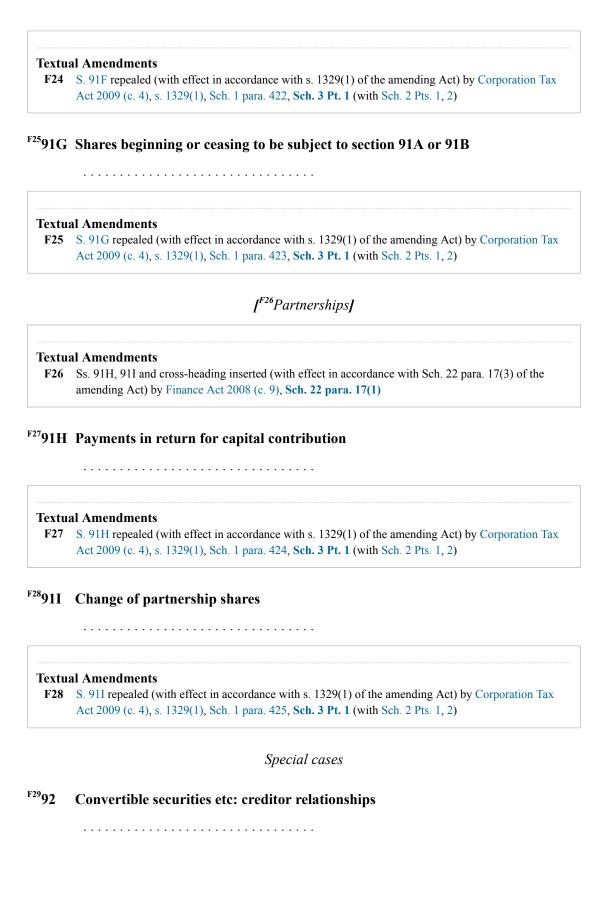
Changes to legislation: There are currently no known outstanding effects



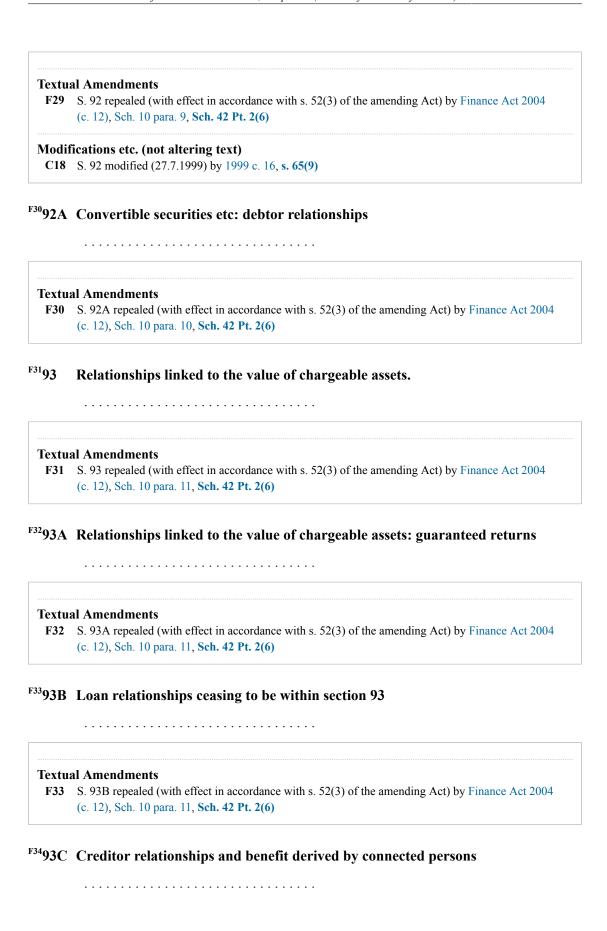


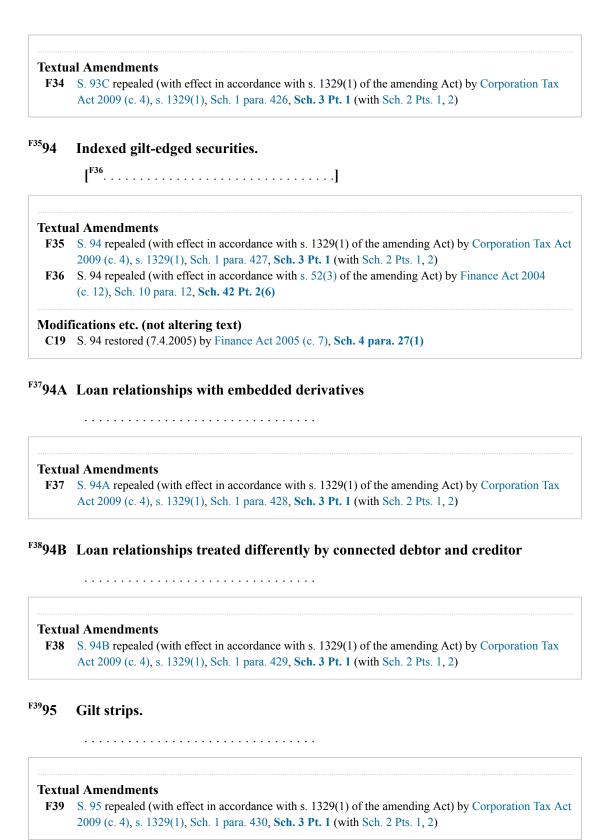
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Finance Act 1996 (c. 8)
Part IV – Income Tax, Corporation Tax and Capital Gains Tax
Chapter II – Loan relationships
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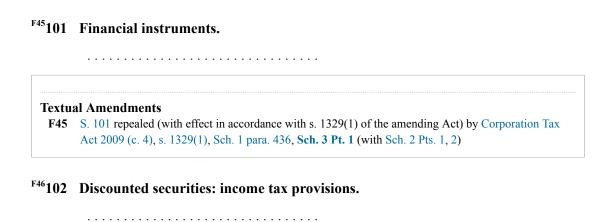
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Chapter II. (See end of Document for details)

Il Amendments S. 96 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 431, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
S. 96 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act
Manufactured interest.
Il Amendments S. 97 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 432, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2) (as amended (with effect in accordance with Sch. 30 para. 5(3) of the amending Act) by Finance Act 2009 (c. 10), Sch. 30 para. 5(2))
Collective investment schemes.
Al Amendments S. 98 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 433, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
Insurance companies.
Al Amendments S. 99 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 434, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
Miscellaneous other provisions
Money debts etc not arising from the lending of money

Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 435, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

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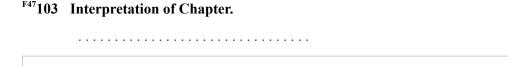
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Chapter II. (See end of Document for details)



Textual Amendments

F46 S. 102 repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), Sch. 1 para. 487, **Sch. 3** (with Sch. 2)

Supplemental



Textual Amendments

F47 S. 103 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 437, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

104 Minor and consequential amendments.

Schedule 14 to this Act (which, for the purposes of both corporation tax and income tax, makes certain minor and consequential amendments in connection with the provisions of this Chapter) shall have effect.

105 Commencement and transitional provisions.

- (1) Subject to Schedule 15 to this Act, this Chapter has effect—
 - (a) for the purposes of corporation tax, in relation to accounting periods ending after 31st March 1996; and
 - (b) so far as it makes provision for the purposes of income tax, in relation to the year 1996-97 and subsequent years of assessment.
- (2) Schedule 15 to this Act (which contains transitional provisions and savings in connection with the coming into force of this Chapter) shall have effect.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1996, Chapter II.