



Finance Act 1975

1975 CHAPTER 7

PART III

CAPITAL TRANSFER TAX

Other charges

41 Free loans etc.

- (1) Where a person, otherwise than in a transaction at arm's length between persons not connected with each other, allows another the use of money or other property without consideration in money or money's worth or for a consideration less than could reasonably be expected in such a transaction, he shall be treated as making a transfer of value in every chargeable period in which he allows that use; and—
 - (a) the value transferred thereby shall be the difference between the amount of the consideration (if any) for that period and that of the consideration that might be so expected; and
 - (b) the transfer shall be treated as being made at the end of the chargeable period or, if earlier, at the time when that use comes to an end ; and
 - (c) the transfer shall be treated as made out of the transferor's income.
- (2) In this section " chargeable period ", in relation to any use, means the period beginning when the use is begun and ending with 5th April next following, and every subsequent period of twelve months ending with 5th April, but no period beginning before 6th April 1976 shall be a chargeable period.