



Finance Act 1990

1990 CHAPTER 29

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Miscellaneous

83 Loans to traders

(1) Section 136 of the Capital Gains Tax Act 1979 (relief in respect of loans to traders) shall be amended as follows.

(2) The following subsections shall be inserted after subsection (5)—

“(5A) Where—

- (a) an allowable loss has been treated under subsection (4) above as accruing to any person, and
- (b) the whole or any part of the amount of the payment mentioned in subsection (4)(b) is at any time recovered by him,

this Act shall have effect as if there had accrued to him at that time a chargeable gain equal to so much of the allowable loss as corresponds to the amount recovered.

(5B) Where—

- (a) an allowable loss has been treated under subsection (3) above as accruing to a company (the first company), and
- (b) the whole or any part of the outstanding amount mentioned in subsection (3)(a) is at any time recovered by a company (the second company) in the same group as the first company,

Status: This is the original version (as it was originally enacted).

this Act shall have effect as if there had accrued to the second company at that time a chargeable gain equal to so much of the allowable loss as corresponds to the amount recovered.

(5C) Where—

- (a) an allowable loss has been treated under subsection (4) above as accruing to a company (the first company), and
- (b) the whole or any part of the outstanding amount mentioned in subsection (4)(a), or the whole or any part of the amount of the payment mentioned in subsection (4)(b), is at any time recovered by a company (the second company) in the same group as the first company,

this Act shall have effect as if there had accrued to the second company at that time a chargeable gain equal to so much of the allowable loss as corresponds to the amount recovered.”

(3) In subsection (6) for “subsection (5)” there shall be substituted “subsections (5) to (5C)”.

(4) The following subsection shall be inserted after subsection (9)—

“(9A) For the purposes of subsections (5B) and (5C) above two companies are in the same group if they were in the same group when the loan was made or have been in the same group at any subsequent time.”

(5) This section applies where an amount is recovered on or after 20th March 1990.