



Finance Act 2004

2004 CHAPTER 12

PART 4

PENSION SCHEMES ETC

CHAPTER 4

REGISTERED PENSION SCHEMES: TAX RELIEFS AND EXEMPTIONS

Employers' contributions

[^{F1}196D Employer asset-backed contributions: denial of relief (2)]

- (1) An employer (“E”) is not to be given relief in respect of a contribution (“E’s contribution”) paid by E under a registered pension scheme if conditions A and B are met.
- (2) Condition A is that—
 - (a) under an arrangement (“the asset-backed arrangement”) a person (“the transferor”) makes a disposal of an asset (“the security”) to a partnership,
 - (b) the transferor is E or a person connected with E,
 - (c) the transferor, or a person connected with the transferor, is a member of the partnership immediately after the disposal (whether or not a member immediately before it),
 - (d) under the asset-backed arrangement the partnership receives money or another asset (“the advance”) from a person (“the lender”) other than the transferor,
 - (e) the advance is (wholly or partly) paid or provided by the lender out of E’s contribution (directly or indirectly),
 - (f) there is a relevant change in relation to the partnership (see section 196H), and
 - (g) under the asset-backed arrangement the share in the partnership’s profits of the person involved in the relevant change (see section 196H) is determined by reference (wholly or partly) to payments in respect of the security.

Changes to legislation: *Finance Act 2004, Section 196D is up to date with all changes known to be in force on or before 05 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (3) If the transferor is not E, for the purposes of this section references to a person connected with the transferor include a person connected with E who would not otherwise be connected with the transferor.
- (4) For the purposes of subsection (2)(g) it does not matter if any determination of the share in the partnership's profits of the person involved in the relevant change as mentioned is subject to any condition.
- (5) Condition B is that the asset-backed arrangement is not an acceptable structured finance arrangement (see section 196E).]

Textual Amendments

- F1** Ss. 196B-196L inserted (with effect in accordance with Sch. 13 para. 17 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 13 para. 15](#) (with [Sch. 13 Pt. 4](#)) (and see also, as to denial of relief for contributions paid during the period 29.11.2011 to 21.2.2012, the ss. 196B-196J inserted by [Finance Act 2012 \(c. 14\)](#), [Sch. 13 paras. 1, 3](#) (with [Sch. 13 Pt. 2](#)))

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)