



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 10

#### CLOSE COMPANIES

### CHAPTER 3

#### CHARGE TO TAX IN CASE OF LOAN TO PARTICIPATOR

##### *Loan treated as made to participator*

#### **459** Loan treated as made to participator

- (1) This section applies if under arrangements made by a person (P)—
  - (a) a close company makes a loan or advance which, apart from this section, does not give rise to a charge to tax under section 455, and
  - (b) a person other than the close company makes a payment or transfers property to, or releases or satisfies (in whole or in part) a liability of, a relevant person who is a participator in the company or an associate of such a participator.
- (2) Sections 455 to 458 [<sup>F1</sup>and 464C and 464D] apply as if the loan or advance had been made to the relevant person.
- (3) But this section does not apply if—
  - (a) the arrangements mentioned in subsection (1) are made by P in the ordinary course of a business carried on by P, or
  - (b) the total income of the relevant person includes, in respect of the matter mentioned in subsection (1)(b), an amount not less than the loan or advance.
- (4) If a company (C) controls another company (D), a participator in C is to be treated for the purposes of this section as being also a participator in D.

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**Status:** Point in time view as at 20/03/2013.

**Changes to legislation:** There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Loan treated as made to participator. (See end of Document for details)

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#### Textual Amendments

- F1** Words in s. 459(2) inserted (retrospective to 20.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 30 para. 4\(1\)\(2\)](#)

**Status:**

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