



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 10

#### CLOSE COMPANIES

### CHAPTER 3

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

##### *Relief in case of repayment or release of loan*

#### **458 Relief in case of repayment or release of loan**

- (1) Subsection (2) applies if a close company has made a loan or advance which gave rise to a charge to tax on the company under section 455.
- (2) Relief is to be given from that tax, or a proportionate part of it, if—
  - (a) the loan or advance or part of it is repaid to the company, or
  - (b) the whole or part of the debt in respect of the loan or advance is released or written off.
- (3) Relief under this section is to be given on a claim, which must be made within 4 years from the end of the financial year in which the repayment is made or the release or writing off occurs.
- (4) Subsection (5) applies if—
  - (a) the repayment of the whole or part of a loan or advance occurs on or after the day on which tax under section 455 becomes due and payable in relation to the loan or advance, or
  - (b) the release or writing off of the whole or part of the debt in respect of a loan or advance occurs on or after the day on which tax under that section becomes due and payable in relation to the loan or advance.

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**Changes to legislation:** There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Relief in case of repayment or release of loan. (See end of Document for details)

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- (5) Relief in respect of the repayment, release or writing off may not be given under this section at any time before the end of the period of 9 months from the end of the accounting period in which the repayment, release or writing off occurred.
- (6) Schedule 1A to TMA 1970 (claims and elections not included in return) applies to a claim for relief under this section unless—
  - (a) the claim is included (by amendment or otherwise) in the return for the period in which the loan or advance was made, and
  - (b) the relief may be given at the time the claim is made.

**Changes to legislation:**

There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross  
Heading: Relief in case of repayment or release of loan.