Changes to legislation: *Corporation Tax Act 2010, Section 1007 is up to date with all changes known to be in force on or before 10 October 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*

Corporation Tax Act 2010

2010 CHAPTER 4

PART 23

COMPANY DISTRIBUTIONS

CHAPTER 2

MATTERS WHICH ARE DISTRIBUTIONS

Distributions in respect of non-commercial securities

1007 Securities issued at premium representing new consideration

(1) This section applies if any security of a company is issued at a premium representing new consideration (but see also section 1008).

(2) In relation to a distribution in respect of the security, the reference in paragraph E in section 1000(1) to however much of the distribution represents the principal secured by the security is to be read as a reference to the sum of—

(a) however much of the distribution represents the principal, and

(b) however much of it represents the premium.

(3) In relation to a distribution in respect of the security, the reference in paragraph E in section 1000(1) to however much of the distribution represents a reasonable commercial return for the use of the principal secured by the security is to be read as a reference to the sum of—

(a) however much of the distribution represents a reasonable commercial return for the use of the principal, and

(b) however much of it represents (when regard is had to the extent to which distributions represent the premium) a reasonable commercial return for the use of the premium.

Changes to legislation:
Corporation Tax Act 2010, Section 1007 is up to date with all changes known to be in force on or before 10 October 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.
View outstanding changes

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. 357CHA omitted by 2024 c. 3 Sch. 2 para. 14(7)
- s. 658(1)(d)(e) inserted by 2010 c. 13 Sch. 6 para. 31 (This amendment not applied to legislation.gov.uk. Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))