



Corporation Tax Act 2010

2010 CHAPTER 4

PART 16

FACTORING OF INCOME ETC

CHAPTER 2

FINANCE ARRANGEMENTS

Type 3 arrangements

768 Certain tax consequences not to have effect

- (1) This section applies if—
 - (a) there is a type 3 finance arrangement, and
 - (b) any relevant change in relation to the partnership would have the relevant effect (ignoring this section).
- (2) The relevant effect is that—
 - (a) an amount of income on which a relevant member would otherwise have been charged to corporation tax is not so charged,
 - (b) an amount which would otherwise have been brought into account in calculating for corporation tax purposes any income of a relevant member is not so brought into account, or
 - (c) a relevant member becomes entitled to an income deduction.
- (3) A relevant member is a person who—
 - (a) was a member of the partnership immediately before the relevant change in relation to it occurred, and
 - (b) is not the lender.
- (4) If this section applies—

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 768. (See end of Document for details)

- (a) sections 1259 to 1265 of CTA 2009 (partnerships involving companies) are to have effect in relation to any relevant member as if the relevant change in relation to the partnership had not occurred, and
 - (b) accordingly the finance arrangement is not to have the relevant effect.
- (5) In deciding whether subsection (1)(b) is met assume that amounts of income equal to the payments mentioned in section 767(2)(d) were payable to the partnership before the relevant change in relation to it occurred.
- (6) An income deduction is—
- (a) a deduction in calculating income for corporation tax purposes, or
 - (b) a deduction from total profits.

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 768.