
Changes to legislation: There are currently no known outstanding effects for the National Insurance Contributions Act 2014, Cross Heading: Fixed-rate preference shares. (See end of Document for details)

SCHEDULES

SCHEDULE 1

EMPLOYMENT ALLOWANCE: RULES FOR DETERMINING IF PERSONS ARE “CONNECTED”

PART 1

COMPANIES

Modifications etc. (not altering text)

- C1** Sch. 1 Pt. 1 applied (15.9.2016) by [Finance Act 2016 \(c. 24\), s. 101\(17\)](#)
- C1** Sch. 1 Pt. 1 applied (E.W.S.) (26.5.2020) by [The Statutory Sick Pay \(Coronavirus\) \(Funding of Employers' Liabilities\) Regulations 2020 \(S.I. 2020/512\), regs. 1, 4\(4\)\(a\)](#)
- C1** Sch. 1 Pt. 1 applied (N.I.) (26.5.2020) by [The Statutory Sick Pay \(Coronavirus\) \(Funding of Employers' Liabilities\) \(Northern Ireland\) Regulations 2020 \(S.I. 2020/513\), regs. 1, 4\(4\)\(a\)](#)

Fixed-rate preference shares

- 4 (1) In determining for the purposes of paragraph 2(1) if a company is under the control of another, fixed-rate preference shares held by a company are ignored if the company holding them—
- (a) is not a close company,
 - (b) takes no part in the management or conduct of the company which issued the shares, or in the management or conduct of its business, and
 - (c) subscribed for the shares in the ordinary course of a business which includes the provision of finance.
- (2) In sub-paragraph (1) “fixed-rate preference shares” means shares which—
- (a) were issued wholly for new consideration,
 - (b) do not carry any right either to conversion into shares or securities of any other description or to the acquisition of any additional shares or securities, and
 - (c) do not carry any right to dividends other than dividends which—
 - (i) are of a fixed amount or at a fixed rate per cent of the nominal value of the shares, and
 - (ii) together with any sum paid on redemption, represent no more than a reasonable commercial return on the consideration for which the shares were issued.
- (3) In sub-paragraph (2)(a) “new consideration” has the meaning given by section 1115 of CTA 2010.
- (4) In sub-paragraph (1)(a) “close company” is to be read in accordance with Chapter 2 of Part 10 of CTA 2010 (see, in particular, section 439 of that Act).

Changes to legislation:

There are currently no known outstanding effects for the National Insurance Contributions Act 2014, Cross Heading: Fixed-rate preference shares.