
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2019, Paragraph 2. (See end of Document for details)

SCHEDULES

SCHEDULE 20

TAXATION OF HYBRID CAPITAL INSTRUMENTS

PART 2

CORPORATION TAX, INCOME TAX AND CAPITAL GAINS TAX

Distributions in respect of hybrid capital instruments

2 At the end of Chapter 12 of Part 5 of CTA 2009 insert—

“Hybrid capital instruments

Amounts payable in respect of hybrid capital instruments

- 420A(1) This section applies if a loan relationship is a hybrid capital instrument for an accounting period of the debtor.
- (2) The Corporation Tax Acts have effect in relation to any person in respect of times in the accounting period as if any qualifying amount payable in respect of the hybrid capital instrument were not a distribution.
 - (3) An amount is a “qualifying amount” so far as it would not be regarded as a distribution if it is assumed that any provision made by the loan relationship under which the debtor is entitled to defer or cancel a payment of interest under the loan relationship had not been made.
 - (4) This section also needs to be read together with section 1015(1A) of CTA 2010 (which prevents hybrid capital instruments from being “special securities” as a result of being equity notes).”

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2019, Paragraph 2.