



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

CHAPTER 7

TAXABLE BENEFITS: LOANS

Introduction

[^{F1}173A Alternative finance arrangements

- (1) For the purposes of this Chapter a reference to a loan includes a reference to arrangements—
 - (a) to which section 564C of ITA 2007 or section 503 of CTA 2009 (purchase and resale arrangements) applies (or would apply assuming one of the parties were a financial institution), or
 - (b) to which section 564D of ITA 2007 or section 504 of CTA 2009 (diminishing shared ownership arrangements) applies (or would apply on that assumption).
- (2) In the application of this Chapter as a result of this section, a reference to interest is to be treated as including alternative finance return (or anything that would be such return on that assumption).
- (3) In the application of this Chapter as a result of this section, a reference to the amount outstanding is to be taken—
 - (a) in the case of arrangements within subsection (1)(a), as a reference to the purchase price minus such part of the aggregate payments made as does not

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 173A. (See end of Document for details)

represent alternative finance return (or anything that would be such return on that assumption),

- (b) in the case of arrangements to which section 564D of ITA 2007 or section 504 of CTA 2009 applies, as a reference to the amount of the [^{F2}first owner's] original beneficial interest minus such part of the aggregate payments made as does not represent alternative finance return, and
- (c) in the case of arrangements to which section 564D of ITA 2007 or section 504 of CTA 2009 would apply assuming one of the parties were a [^{F3}first owner], as a reference to the amount of that party's original beneficial interest minus such part of the aggregate payments made as does not represent anything that would be alternative finance return on that assumption.

(4) In this section—

“alternative finance return” has the meaning given in sections 564I to 564L of ITA 2007 or sections 511 to 513 of CTA 2009, ^{F4}...

“financial institution” has the meaning given in section 564B of ITA 2007 or section 502 of CTA 2009^{F5}, and

“first owner” is to be construed in accordance with section 564D of ITA 2007 or section 504 of CTA 2009.]

(5) This section does not apply to arrangements entered into before 22 March 2006.]

Textual Amendments

- F1** S. 173A inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 2 para. 49](#) (with Sch. 9 paras. 1-9, 22)
- F2** Words in s. 173A(3)(b) substituted (24.5.2022) by [The Alternative Finance \(Income Tax, Capital Gains Tax and Corporation Tax\) Order 2022 \(S.I. 2022/572\), arts. 1\(2\), 8\(3\)\(a\)](#) (with art. 1(3))
- F3** Words in s. 173A(3)(c) substituted (24.5.2022) by [The Alternative Finance \(Income Tax, Capital Gains Tax and Corporation Tax\) Order 2022 \(S.I. 2022/572\), arts. 1\(2\), 8\(3\)\(b\)](#) (with art. 1(3))
- F4** Word in s. 173A(4) omitted (24.5.2022) by virtue of [The Alternative Finance \(Income Tax, Capital Gains Tax and Corporation Tax\) Order 2022 \(S.I. 2022/572\), arts. 1\(2\), 8\(3\)\(c\)\(i\)](#) (with art. 1(3))
- F5** Words in s. 173A(4) inserted (24.5.2022) by [The Alternative Finance \(Income Tax, Capital Gains Tax and Corporation Tax\) Order 2022 \(S.I. 2022/572\), arts. 1\(2\), 8\(3\)\(c\)\(ii\)](#) (with art. 1(3))

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 173A.