

*These notes refer to the Corporation Tax Act 2009
(c.4) which received Royal Assent on 26 March 2009*

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 3: Trading income

Overview

Chapter 9: Trade profits: other specific trades

Overview

Section 131: Incidental costs of issuing qualifying shares

506. This section allows a deduction to building societies for the incidental costs of issuing shares. It is based on section 477B of ICTA.
507. Most shares issued by building societies fall with the loan relationship rules in Parts 6 and 7 of this Act. This is because they are excluded from the definition of “share” in section 476(1) of this Act. The result is that most of the incidental costs associated with the issue of the shares are relieved under section 307 of this Act.
508. But it is possible for some building society shares not to qualify as loan relationships. And, even if they do, some incidental costs may not fall within section 307. So this section deals with the costs that are not relieved under the loan relationship rules.