



Corporation Tax Act 2009

2009 CHAPTER 4

PART 6

RELATIONSHIPS TREATED AS LOAN RELATIONSHIPS ETC

CHAPTER 5

[^{F1}REGISTERED SOCIETIES]

Textual Amendments

- F1** Words in Act substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014](#) (c. 14), s. 154, [Sch. 4 para. 143](#) (with [Sch. 5](#))

499 [^{F2}Registered society] payments treated as interest under loan relationship

- (1) Any dividend, bonus or other sum payable to a shareholder in—
- (a) a [^{F3}registered society], or
 - (b) a UK agricultural or fishing co-operative,
- is treated for corporation tax purposes as interest under a loan relationship of the society or co-operative if it is payable by reference to the amount of the shareholder's holding in its share capital.
- (2) If subsection (1) applies—
- (a) so far as the shareholder's holding is held for the purposes of a trade, the shareholder is treated for the purposes of section 297 as a party to the loan relationship referred to in subsection (1) for that purpose, and
 - (b) so far as the holding is held for any other purpose, the shareholder is treated for the purposes of that section as a party to that loan relationship for that other purpose.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (3) In subsection (1) “UK agricultural or fishing co-operative” means a co-operative association—
- (a) which is established in the United Kingdom and UK resident, and
 - (b) whose primary object is assisting its members in—
 - (i) carrying on agricultural or horticultural businesses on land occupied by them in the United Kingdom, or
 - (ii) carrying on businesses consisting in the catching or taking of fish or shellfish.
- (4) In subsection (3) “co-operative association” means a body with a written constitution from which the Secretary of State considers that it is in substance a co-operative association.
- (5) For the purposes of subsection (4), the Secretary of State must have regard to the way in which the body's constitution provides for its income to be applied for its members' benefit and all other relevant provisions.
- (6) In the application of subsections (4) and (5) in Northern Ireland for “the Secretary of State” substitute “ the Department of Agriculture and Rural Development ”.

Textual Amendments

- F2** Words in s. 499 heading substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 145](#) (with [Sch. 5](#))
- F3** Words in Act substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 141](#) (with [Sch. 5](#))

500 Exclusion of interest where failure to make return

- (1) This section applies if for any accounting period a [^{F3}registered society] is obliged to make a return under section 887(2) of ITA 2007.
- (2) If the society has not made the return within 3 months after the end of the period, no interest paid by it in the period is to be brought into account for the period for the purposes of Part 5.
- (3) It does not matter for the purposes of subsection (2) whether the payment would be interest apart from section 499.

Textual Amendments

- F3** Words in Act substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\), s. 154, Sch. 4 para. 141](#) (with [Sch. 5](#))

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 934(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 12\(2\)](#)
- s. 962(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(5\)\(b\)](#)
- s. 962A(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(6\)\(b\)](#)
- s. 963(1A) inserted by [2023 c. 30 Sch. 2 para. 12\(7\)\(a\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)
- s. 1138A applied by [S.I. 2024/348 reg. 3](#)