



# Corporation Tax Act 2009

## 2009 CHAPTER 4

### PART 6

#### RELATIONSHIPS TREATED AS LOAN RELATIONSHIPS ETC

### CHAPTER 2

#### RELEVANT NON-LENDING RELATIONSHIPS

##### *Application of Part 5 to relevant non-lending relationships*

#### **481 Application of Part 5 to relevant non-lending relationships**

- (1) If a company has a relevant non-lending relationship—
  - (a) Part 5 (loan relationships) applies in relation to the relevant matters (see subsections (3) and (5)) as it applies in relation to such matters arising under or in relation to a loan relationship, but
  - (b) the only credits or debits to be brought into account for the purposes of that Part in respect of the relationship are those relating to those matters.
- (2) Accordingly, subject to subsection (1)(b), references in the Corporation Tax Acts to a loan relationship include a reference to a relevant non-lending relationship.
- (3) The relevant matters in the case of a relevant non-lending relationship within section 479 are—
  - (a) interest payable to or by the company in respect of the relevant non-lending relationship,
  - (b) exchange gains or losses arising to the company as a result of the relationship,
  - (c) in the case of a debt on which interest is payable to the company, profits (but not losses) arising to the company from any related transaction in respect of the right to receive interest,

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*Status: This is the original version (as it was originally enacted).*

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- (d) in the case of a debt in relation to which an impairment loss arises to the company in respect of an unpaid business payment, the impairment, and
  - (e) in the case of a debt in relation to which a credit in respect of the reversal of an impairment loss arises to the company in respect of a previously unpaid business payment, the reversal.
- (4) In subsection (3) “business payment” has the meaning given in section 479(3).
- (5) The relevant matters in the case of a relevant non-lending relationship within section 480 are—
- (a) the matters referred to in subsection (3),
  - (b) the discount arising to the company from the money debt,
  - (c) profits (but not losses) arising to the company from any related transaction,
  - (d) any impairment arising to the company in respect of the discount, and
  - (e) any reversal of any such impairment.
- (6) Subsection (7) applies if a company—
- (a) has a relevant non-lending relationship within section 479 because of a debt on which interest is payable to the company, but
  - (b) enters into a related transaction in respect of the right to receive interest as a result of which interest is not so payable.
- (7) Even though the interest is not payable to the company, for the purpose of bringing credits into account in respect of that or any other related transaction as a result of the application of subsection (3)(c), the company is still treated as having a relevant non-lending relationship within section 479.
- (8) Section 480(5) (when discount arises) applies for the purpose of this section as it applies for the purposes of section 480.