



Corporation Tax Act 2009

2009 CHAPTER 4

PART 6

RELATIONSHIPS TREATED AS LOAN RELATIONSHIPS ETC

CHAPTER 7

SHARES WITH GUARANTEED RETURNS ETC

Non-qualifying shares

532 The associated transactions condition

- (1) The associated transactions condition is that there is a scheme or arrangement (whether or not the investing company is a party to it) under which the share and one or more associated transactions are together designed to produce a return for any one or more persons which equates, in substance, to the return on an investment of money at a commercial rate of interest.
- (2) But the associated transactions condition is not met if—
 - (a) the increasing value condition is met as respects the share or would be apart from section 527(3) (exception for income-producing assets), or
 - (b) the redemption return condition is met as respects the share or would be apart from section 529(1)(c) (excepted shares).
- (3) In this section “associated transaction” includes—
 - (a) entering into or acquiring rights or liabilities under any of the kinds of contract specified in subsection (4), and
 - (b) acquiring rights or receiving benefits in respect of other shares.
- (4) The contracts referred to in subsection (3) are—
 - (a) a derivative contract,
 - (b) a contract which would be a derivative contract, apart from section 591(3),

Status: This is the original version (as it was originally enacted).

- (c) a contract having a similar effect to a contract within paragraph (a) or (b), or
- (d) a contract of insurance or indemnity.